

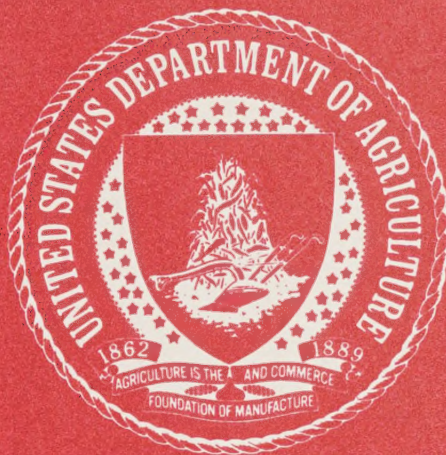
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# BUDGET SUMMARY

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U.S. DEPARTMENT OF AGRICULTURE







# UNITED STATES DEPARTMENT OF AGRICULTURE

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## INTRODUCTION

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This booklet describes the fiscal year 1993 budget for the Department of Agriculture. All references to years refer to fiscal year, except where specifically noted. Throughout the booklet, acronyms are used to refer to:

- o Food, Agriculture, Conservation, and Trade Act of 1990 (FACT)
- o Omnibus Budget Reconciliation Act of 1990 (OBRA)

The Omnibus Budget Reconciliation Act of 1990 changed the method that the Federal Government uses to estimate the cost of providing credit to the public. Beginning in 1992, the lifetime subsidy cost of providing loans will be scored as budget authority in the year that the loans are made. Also, the subsidy portion of the loan is scored as an outlay when the direct or guaranteed loan is disbursed to the borrower. These changes are reflected in the estimates throughout the booklet.

Knowledge of the following basic budget terminology will assist the reader in understanding the budget proposals:

- o "Program Level" represents the gross financial value of benefits provided to the public by USDA. These benefits may be in the form of financial assistance through grants, guaranteed or direct loans, cost-sharing, professional services such as research or technical assistance activities, or in-kind benefits such as commodities.
- o "Budget Authority" is the authority to commit funds of the Treasury. This authority is normally provided by the Congress through appropriations acts. The President's budget requests the Congress to appropriate or otherwise provide an amount of budget authority sufficient to carry out recommended Government programs.
- o "Obligations" are specific commitments of Government funds. In order to make a valid obligation, a sufficient amount of unused budget authority must be available to cover the obligation.
- o "Outlays" are cash disbursements from the Treasury to satisfy a valid obligation.

Since the primary purpose of this booklet is to describe the programmatic impact of the 1993 budget, the program level concept has been used in most instances. However, there are some cases where other measures are used and the reader should take care to note which measure is being used in any particular subject area. The reader should also understand that many 1993 estimates are very tentative especially where programs are sensitive to weather or economic conditions.

Questions may be referred to the Office of Budget and Program Analysis at (202) 720-6176.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Program Level and Outlays  
(Dollars in Millions)

Agency/Program	Program Level				Outlays		
	1991 Actual	1992 Current Estimate	1993 Budget	Change 1992 to 1993	1991 Actual	1992 Current Estimate	1993 Budget
<b>RESEARCH AND EDUCATION</b>							
Agricultural Research Service .....	\$631	\$668	\$694	\$26	\$615	\$657	\$677
Cooperative State Research Service .....	391	434	416	-18	380	404	392
Extension Service .....	389	410	417	7	358	405	418
National Agricultural Library .....	17	18	18	0	16	16	17
Subtotal .....	1,428	1,530	1,545	15	1,369	1,482	1,504
Construction .....	113	135	27	-108	33	56	87
Total, Research and Education .....	1,541	1,665	1,572	-93	1,402	1,538	1,591
<b>ALTERNATIVE AGRICULTURAL</b>							
RESEARCH AND COMMERCIALIZATION .....	0	4	10	6	0	0	2
<b>COMMODITY PROGRAMS</b>							
Commodity Credit Corporation .....	16,996	18,274	18,128	-146	10,110	11,961	11,645
ASCS, Salaries and Expenses .....	677	721	715	-6	44 a/	676	692
Total, Commodity Programs .....	17,673	18,995	18,843	-152	10,154	12,637	12,337
<b>INTERNATIONAL PROGRAMS</b>							
Export Credit Guarantees .....	4,522	5,700	5,700	0	*	*	*
Export Enhancement Program .....	917	1,200	1,200	0	*	*	*
Market Promotion Program .....	200	200	200	0	*	*	*
P.L. 480 .....	1,553	1,608	1,479	-129	753	1,234	828
Foreign Agricultural Service .....	105	111	110	-1	101	113	115
General Sales Manager .....	8	9	9	0	*	*	*
Office of Intern'l Cooperation & Development ..	38	41	40	-1	-10	13	11
Total, International Programs .....	7,343	8,869	8,738	-131	844	1,360	954
<b>SOIL AND WATER CONSERVATION PROGRAMS</b>							
Soil Conservation Service .....	772	851	791	-60	793	875	808
Agricultural Stabilization and Conservation Service:							
Environmental Conservation Acreage Reserve Program:							
Conservation Reserve Program .....	1,642	1,740	1,799	59	1,631	1,751	1,799
Wetlands Reserve Program .....	0	46	161	115	0	27	109
Other .....	241	246	164	-82	246	268	225
Total, Soil and Water Conservation .....	2,655	2,883	2,915	32	2,670	2,921	2,941
FOREST SERVICE .....	3,172	3,292	3,432	140	3,001	3,122	3,347
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>							
Farmers Home Administration:							
Farm Programs .....	2,101	3,702	2,879	-823	1,937	1,021	104
Rural Housing Programs .....	2,529	2,855	2,085	-770	3,195	2,270	1,514
Salaries and Expenses .....	637	745	692	-53	583	655	632
Subtotal, Farmers Home Administration .....	5,267	7,302	5,656	-1,646	5,715	3,946	2,250



Agency/Program	Program Level				Outlays		
	1991 Actual	1992 Current Estimate	1993 Budget	Change 1992 to 1993	1991 Actual	1992 Current Estimate	1993 Budget
Rural Development Administration :							
Rural Community Development Programs .....	1,119	1,296	1,280	-16	857	1,006	897
Salaries and Expenses .....	61	74	74	0	57	69	69
Subtotal, Rural Development Administration	1,180	1,370	1,354	-16	914	1,075	966
Rural Electrification Administration:							
Rural Utility Loans and Grants .....	1,782	2,483	2,270	-213	69	590	-1
Salaries and Expenses .....	33	38	42	4	31	37	33
Subtotal, Rural Electrification Admin. ....	1,815	2,521	2,312	-209	100	627	32
Federal Crop Insurance Corporation .....	1,240	1,528	1,531	3	770	936	900
Total, Small Community and Rural Development	9,502	12,721	10,853	-1,868	7,499	6,584	4,148
FOOD AND CONSUMER SERVICES							
Food and Nutrition Service:							
Women, Infants and Children (WIC) .....	2,375	2,603	2,840	237	2,280	2,616	2,825
Food Stamp Program Program .....	18,736	22,649	22,705 b/	56	18,684	22,724	22,698
Nutrition Assistance for Puerto Rico .....	963	1,002	1,051	49	965	1,002	1,051
Child Nutrition Programs .....	6,037	6,527	6,897	370	5,888	6,510	6,850
Food Donations Programs .....	252	251	256	5	243	258	255
Emergency Food Assistance Program .....	170	165	165	0	168	168	165
All Other .....	199	214	220	6	187	216	226
Total, Food and Nutrition Service .....	28,732	33,411	34,134	723	28,415	33,494	34,070
Human Nutrition Information Service .....	10	11	14	3	9	10	13
Section 32 Funds .....	60	268	350	82	88	83	52
Total, Food and Consumer Services .....	28,802	33,690	34,498	808	28,512	33,587	34,135
MARKETING AND INSPECTION SERVICE							
Food Safety and Inspection Service .....	504	531	562	31	441	475	453
Animal and Plant Health Inspection Service ....	426	480	447	-33	395	452	452
Agricultural Marketing Service .....	209	228	231	3	147	168	162
All Other .....	56	69	72	3	27	28	21
Total, Marketing and Inspection Programs ....	1,195	1,308	1,312	4	1,010	1,123	1,088
ECONOMICS AND STATISTICS .....	134	144	151	7	130	143	147
DEPARTMENTAL ACTIVITIES							
Departmental Offices .....	123	137	147	10	122	136	148
Centrally Financed Activities .....	104	105	107	2	79	113	105
RECEIPTS .....	0	0	0	0	-1,305	-1,469	-1,571
USDA, TOTAL .....	\$72,244	\$83,813	\$82,578	-\$1,235	\$54,119	\$61,794	\$59,373

\*Net outlays attributable to these activities are included in CCC totals.

a/ Reflects outlays for 1991 supplemental. Outlays for ASCS, Salaries and Expenses of \$622 million are included in the CCC totals for 1991.

b/ In addition the budget requests a \$5.3 billion benefit reserve for the Food Stamp Program.



## USDA SUMMARY

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The overall USDA budget for 1993 calls for a program level of \$82.6 billion, a decrease of \$1.2 billion from the 1992 current estimate of \$83.8 billion. Cash outlays for 1993 are estimated at \$59.4 billion, a decrease of \$2.4 billion from the 1992 current estimate of \$61.8 billion. The decrease in outlays from 1992 is the net result of a combination of program changes and receipts from repayment of pre-1992 loans.

The 1993 budget contains several items of emphasis including:

- o New Uses for Agricultural Commodities. The 1993 budget contains \$117.9 million, an increase of \$17.8 million over 1992, for increased research to develop new materials and products from agricultural commodities (page 11).
- o Biofuels. The 1993 budget contains \$14.7 million, an increase of \$9.2 million (+167 percent) over 1992, to encourage the development of economically viable production systems for biofuels (page 12).
- o Nutrition Education. The 1993 budget proposes an expanded nutrition education effort which seeks to promote the nutritional well-being of Americans with an emphasis on children and limited resource adults. The budget contains \$320.8 million, an increase of \$47.9 million (+18 percent) over 1992 for this area (page 14).
- o Food Safety. The 1993 budget proposes an increase of \$17.7 million over the 1992 level of \$97.7 million for a total of \$115.4 million for food safety. The Department proposes to continue to upgrade the available information regarding the use of pesticides and the presence of pesticide residues in the food supply. Increased funding is also directed at improving knowledge of the incidence and severity of food-borne disease from microbial contaminants (page 17).
- o America the Beautiful. The 1993 budget continues the President's America the Beautiful (ATB) program. ATB funding increases by \$120.2 million (+25 percent) over 1992 and is distributed among various programs. An increase of \$69.7 million is proposed for tree planting programs to meet the President's goal of planting one billion new trees per year. Included within the ATB is an expanded recreation program. The Forest Service recreation budget of \$360.4 million includes a \$38.8 million (+12 percent) increase over 1992 as the second installment of a multi-year effort to expand the availability and quality of recreation opportunities on the national forests (page 19).
- o Water Quality. Water quality programs will be funded at \$200.1 million. Eight USDA agencies will continue to carry out focused programs of data collection and analysis, research, education and technical and financial assistance (page 21).



- o National Research Initiative. The National Research Initiative (NRI) begun in 1991 is continued in 1993 and increased to a total of \$150 million (54 percent above 1992). Through the use of competitive grants, this program will apply advanced technologies to reach solutions for the most urgent problems facing farmers, ranchers, and consumers of agricultural products (page 23).
- o Global Change. The 1993 budget proposes an increase of \$3.3 million over the 1992 level of \$44.3 million for a total of \$47.6 million for global change as the USDA part of a governmentwide research and data analysis program coordinated through the Committee on Earth and Environmental Sciences (page 24).
- o 1890 Land-Grant Institutions. The 1993 budget continues the Department's special programs with the 1890 land-grant institutions and Tuskegee University and proposes an increase of \$4.1 million for a total of \$84.9 million for these programs (page 26).

Agency highlights include:

Proposed funding for Research and Education programs totals \$1.6 billion in 1993.

- o Agricultural Research Service funding for research programs totals \$668.4 million compared to \$642.6 million in 1992. Renewed emphasis is placed on developing new uses for agricultural products, including biofuels. ARS is proposing a \$9.3 million increase in this area, including a \$4.3 million increase for biofuels research to develop improved ethanol production processes, find means to produce value added products as part of the production process and refine the methods available to produce biodiesel substitutes. A \$5 million increase is proposed to strengthen human nutrition research to provide the scientific basis for nutrition education programs serving children, low-income adults and the general population. Increases totalling \$2 million are also proposed for the development of improved pest controls, including biological controls and integrated pest management systems to address environmental concerns associated with pest control. A \$1 million increase is proposed to develop control strategies for the sweet potato whitefly, an increasingly devastating pest of fruit and vegetable crops in southern and western production areas. This effort is carried out in coordination with the Animal and Plant Health Inspection Service. Other increases are proposed to develop better methods of seed storage and to improve the viability of current germplasm collections (+\$1.2 million). Construction funds totalling \$27.3 million are proposed to support major modernization and new construction needs at five ARS research facilities (page 27).

- o Programs of the Cooperative State Research Service are funded at a total level of \$416.0 million in the budget. A highlight is third year funding of \$150 million for the National Research Initiative (NRI) competitive grants program. The 1993 budget does not include \$75.3 million that was provided in 1992 for construction of facilities. The budget also supports other national priority programs, including the Hatch Act and 1890 institutions formula programs and \$28.9 million for selected special grants. Lower priority special grants will not be funded in 1993. Higher education programs are funded and the 1890's Capacity Building Grants program is increased to \$11.5 million (page 30).
- o Education and technology transfer programs of the Extension Service are proposed at a total funding level of \$417.3 million, \$7.5 million above the 1992 current estimate. The budget supports the basic formula programs. Environmental and food safety issues are high priorities. An expanded Extension role in nutrition education is proposed as part of a Departmentwide initiative (+\$11.1 million). Increases for Extension include funds for education programs related to water quality (+\$2.1 million), integrated pest management (+\$1.8 million) and food safety (+\$0.5 million). Extension also proposes funds to increase the youth-at-risk program (+\$5.0 million) to support participation in additional prevention/intervention projects in communities with serious risk factors. The Expanded Food and Nutrition Education Program (EFNEP) is funded at \$62.6 million. A five-year program of Extension facilities improvements at the 1890 land-grant institutions and Tuskegee University will be completed with funding provided for 1992 (page 33).

Alternative Agricultural Research and Commercialization is funded at \$10 million in the 1993 budget, more than double the 1992 level. Funds will support the development of new nonfood, nonfeed uses and products based on agricultural and forestry commodities as part of a Departmentwide initiative (page 37).

Net outlays for the Commodity Credit Corporation programs are projected at \$11.6 billion for 1993, slightly below the projected 1992 level of \$12 billion which includes about \$1.0 billion for disaster payments. It should be especially noted that estimates for the Department's farm price and income support and export programs are extremely tentative. They are subject to the weather, economic conditions, and program and policy changes (page 38).

The total program level for the International Programs area is \$8.7 billion in 1993, \$131 million below the 1992 level. Export credit guarantees are projected at \$5.7 billion, including \$200 million for emerging democracies. The FACT Act requires that a total of \$1.0 billion in guaranteed credit be made available to emerging democracies during 1991 through 1995. The Administration provided \$200 million in 1991 and 1992 and plans to continue to do so through 1995. These loans may be used for export credit or for financing improvements in marketing, storage and distribution facilities for imported commodities. The estimated 1993 program level for bonus



awards under the Export Enhancement Program is \$1.2 billion. This is the same level as currently estimated for 1992. Total commodity shipments for the P.L. 480 program are projected to remain at 6.6 million metric tons, the same as in 1992 (page 41).

The 1993 budget for the Soil Conservation Service (SCS) is \$791.4 million, a decrease of \$59.4 million below the 1992 current estimate. This includes sufficient funding for the Conservation Technical Assistance program to allow SCS to continue to place top priority on helping farmers and landowners implement the conservation requirements of the 1985 and 1990 Farm Bills. The budget proposes decreases in funding for River Basin Surveys and Investigations (-\$3.1 million), Resource Conservation and Development (-\$8.9 million), Watershed Planning (-\$3.1 million) and Watershed and Flood Prevention Operations (-\$52.4 million) (page 46).

The 1993 budget for the Agricultural Stabilization and Conservation Service provides for a program level of \$1.8 billion for the Conservation Reserve Program. This will meet rental and cost share payments due on a cumulative enrollment of 37 million acres, including the 0.4 million acres estimated to be enrolled in 1993. The Wetlands Reserve Program (WRP) will be implemented in 1992 to allow individuals to acquire easements on one million acres of farmed and converted wetlands through 1995. The budget request for the WRP will fund acquisition of 200,000 acres in 1993. The Forestry Incentives Program, a component of the President's America the Beautiful Initiative, will continue to provide funding for timberstand improvement and tree planting at the 1992 level. Funding for the Colorado River Basin Salinity Control Program is continued at the 1992 level while funding for the Water Bank Program and the Agricultural Conservation Program (ACP) is reduced from the 1992 level. Within the ACP, \$10 million is provided for water quality incentives practices (page 49).

The Forest Service budget for 1993 is estimated at \$3.4 billion, an increase of \$140 million above the 1992 estimate. Receipts from the timber sales, recreation, grazing and mineral lease activities are expected to be \$1.3 billion in 1993. The budget provides increases of \$120 million (+26 percent) for the programs related to the America the Beautiful (ATB) Initiative including recreation, tree planting, and land acquisition. The budget proposes a timber sales level of 7.5 - 8.0 billion board feet for 1993 compared to 7.1 - 8.4 billion board feet estimated for 1992 (page 52).

The 1993 budget includes \$8.5 billion in loans and grants for the Small Community and Rural Development area. This compares to \$10.3 billion in 1992. The 1993 budget continues the policy of shifting from direct to guaranteed loans for the Farmers Home Administration (FmHA), the Rural Electrification Administration (REA), and the Rural Development Administration (RDA). The 1993 budgets for FmHA farm loans and REA electric loans are consistent with OBRA's mandated shifts from direct to guaranteed loans.

## USDA SUMMARY

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A total of \$2.9 billion is proposed for FmHA Farm Loans in 1993. Of the total, \$2.3 billion would be guaranteed with a subsidized interest rate offered on \$760 million. The subsidy will allow for interest rate reductions of up to four points if such a reduction is necessary for the borrower to cashflow. This will provide more opportunity for borrowers who cannot afford commercial interest rates to qualify for such loans. Guaranteed loans have exceeded direct loans since 1987 (page 55).

The budget proposal for Rural Housing includes a mix of direct and guaranteed loans, rental assistance and a voucher program which will provide assistance to approximately 66,000 housing units, compared to the 78,500 units assisted in 1992 (page 57).

The Rural Development Administration was established as required by the Food, Agriculture, Conservation, and Trade Act Amendments of 1991. The 1993 budget reflects the FACT Act mandate to shift the Water and Waste Disposal Loan and Grant Programs, Rural Development Grants, the Community Facilities Loan Program, the Business and Industry Loan Guarantee Program, and the Rural Development Loan Fund to the Rural Development Administration from the Farmers Home Administration in 1992. The Farms for the Future Program is transferred under discretionary authority provided to the Secretary in the FACT Act. In 1993, direct loans for water and waste disposal would be funded at \$600 million, the same as the 1992 level. Community facilities loans would be funded at \$200 million, with \$100 million available for guaranteed loans. The business and industry loan guarantees would be funded at \$100 million. Loan authority for the Rural Development Loan Fund would be increased to \$35 million from the \$32 million available in 1992. Farms for the Future, a new guaranteed loan program mandated by the FACT Act and implemented in 1992, is proposed at \$10 million in 1993 (page 59).

The proposal for the Rural Electrification Administration would provide about the same level of new loans as in 1992, and would move all telephone loans to the Rural Telephone Bank (RTB). Restructured loans for troubled borrowers would decrease by about \$200 million (page 61).

The Federal Crop Insurance Corporation program would be continued in 1993 under current legislation. Premium level is expected to increase from \$886 million in 1992 to \$912 million in 1993 (page 63).

The 1993 budget for Food and Consumer Services is proposed at \$34.1 billion, an increase of \$0.7 billion above the 1992 current estimate. Highlights include:

- o The budget requests \$2.8 billion for the Special Supplemental Food Program for Women, Infants, and Children (WIC), an increase of \$237 million above the 1992 funding level. This follows the unprecedented Presidential request for a \$223 million increase for 1992, providing for a two-year total increase request of nearly



\$0.5 billion. The 1993 request will increase participation to 5.4 million recipients per month, a 300,000 increase above the 1992 current estimate of 5.1 million recipients (page 65).

The 1993 budget includes \$5.2 million earmarked for Weed and Seed. Weed and Seed is a multi-department initiative in the 1993 budget built on the premise that Federal, state, and local governments and community groups must work together to reclaim neighborhoods embattled by drugs and crime. These funds will be earmarked to ensure that all eligible participants in Weed and Seed areas will be able to participate in the WIC program.

- o For 1993 \$22.7 billion is requested for the Food Stamp Program. In addition, the budget includes a benefit reserve of \$5.3 billion to assure adequate funding if made necessary by unanticipated increases in participation or benefits. Continuing participation increases and increases in benefit levels have resulted in a two-year trend of significantly higher than estimated program costs (page 66).
- o For 1993 \$6.9 billion is requested for the Child Nutrition Programs, about \$0.4 billion more than the 1992 current estimate. Legislation will be proposed to improve the targeting of benefits to the most needy children in the school lunch, school breakfast, and child care center programs (page 68).

The program level for Marketing and Inspection Programs is proposed at \$1.3 billion, an increase of \$4.1 million over the 1992 current estimate level. New user fee proposals total \$74.1 million.

- o The 1993 budget proposes a program level of \$561.7 million for the Food Safety and Inspection Service, an increase of \$30.6 million over the 1992 current estimate. However, outlays would be reduced by \$51.9 million because user fees would be collected by requiring the industry to share 50 percent of inspection costs for daily inspection provided during a second scheduled and approved shift. The first shift will continue to be funded with appropriated funds. Funding of \$11.7 million is also requested for epidemiological, food safety monitoring and laboratory infrastructure improvement in support of the Department's Food Safety Initiative.

The FSIS proposal will also include authority to allow for the continuation of meat and poultry inspection services on a fully reimbursed basis when Federal funding is unavailable due to a sequester. This will help prevent disruptions in the marketing of meat and poultry products, in times of a sequester (page 75).

- o The 1993 program level for the Animal and Plant Health Inspection Service (APHIS) is proposed at \$447 million, a decrease of \$32.7 million below the 1992 current estimate. Of this decrease, \$29 million is attributed to decreased funding needs for buildings and facilities, the grasshopper control program which will be maintained by using 1992 carryover funds, and CCC emergency

funding. APHIS will continue to place major emphasis on the Brucellosis, Screwworm and Agricultural Quarantine Inspection (AQI) programs (page 77).

- o The 1993 budget proposes \$231.2 million for the Agricultural Marketing Service, an increase of \$3.3 million over the 1992 current estimate. Funding is included to continue the Pesticide Data Program and to begin a program for the certification of organic products. However, outlays would be reduced by \$14.7 million because user fees would be collected for commodity standardization and marketing agreements and orders (page 81).
- o The 1993 budget proposes a program level of \$54.4 million for the Federal Grain Inspection Service, an increase of \$2.8 million over the 1992 current estimate. However, outlays would be reduced \$6.9 million because user fees would be collected for standardization activities (page 83).

The 1993 budget for the Economics and Statistics agencies proposes an increase of \$6.2 million to fund the work of these agencies in support of the Department's initiatives (page 85).

The 1993 budget for Departmental Offices proposes an increase of \$12 million. These funds will be used primarily to strengthen the Department's financial management systems and information resources management activities; to provide for audits for annual financial statements pursuant to the recently enacted Chief Financial Officer legislation; and for additional staffing in the Office of the General Counsel to support a rapidly growing demand for legal services (page 87).



## INITIATIVES

### NEW USES FOR AGRICULTURAL COMMODITIES

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Agricultural Research Service .....	\$60.5	\$65.9	\$71.8
Alternative Agricultural Res. and Comm.	0.0	4.5	10.0
Cooperative State Research Service ....	15.3	19.7	26.7
Economic Research Service .....	0.1	0.1	0.1
Forest Service .....	7.5	9.3	8.7
National Agricultural Library .....	0.6	0.6	0.6
 Total, New Uses Research .....	 \$84.0	 \$100.1	 \$117.9

American farmers are among the world's most efficient and reliable producers of food and fiber commodities. At the same time international markets in bulk commodities are becoming more competitive and opportunities exist to address environmental and other societal concerns through the development of agriculture-based industrial and consumer products. New value-added uses based on agriculture and forestry commodities can enhance U.S. competitiveness in international markets, increase farm income and reduce farm program costs, increase employment and provide new economic opportunities for rural residents.

USDA proposes an increased research program to apply advanced biotechnologies, process engineering and other research techniques to develop new materials and products to serve a variety of markets. The USDA program includes funds for projects in the governmentwide initiative on advanced materials research as well as other new uses for commodities. Potential new uses include totally biodegradable plastics, biopesticides manufactured from starch, industrial lubricants and coatings and natural additives for foods. Funds will support research at Federal labs and competitive grants to university and other scientists.

A feature of the initiative is an increase to \$10 million for the Alternative Agricultural Research and Commercialization (AARC) program being implemented in 1992. Funding through this program will provide support for development of new nonfood, nonfeed uses of new and traditional agricultural commodities. Product research and development will be conducted in close cooperation with private industry.

## INITIATIVES

### BIOFUELS PROGRAMS

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Agricultural Research Service .....	\$1.4	\$3.4	\$7.7
Cooperative State Research Service ....	0.8	0.8	5.7
Economic Research Service .....	0.4	1.1	1.1
Forest Service .....	0.1	0.2	0.2
Total, Biofuels Programs .....	<u>\$2.7</u>	<u>\$5.5</u>	<u>\$14.7</u>

Implementation of the Clean Air Act amendments and the National Energy Strategy will increase the demand for oxygenated and alternative fuels. Agriculture-based fuels, including ethanol and biodiesel substitutes, can supply a portion of the demand for these new fuels. In addition to environmental benefits, agriculture-based fuels will increase demand for commodities and improve farm income, lower farm program costs, improve the Nation's energy security, and enhance our balance of payments.

USDA proposes a major research and development initiative to provide the basis for economically viable production of biofuels. Additional funding is proposed for research at Federal labs and for competitive grants to support research at universities and other institutions. Proposed research programs have been planned in coordination with the Department of Energy. Scientists will apply biotechnologies and other advanced research techniques to address three major issues in biofuels production:

- o Improvements in the production, harvesting and storage of starch, cellulose and oilseed feedstocks for ethanol and biodiesel production. Research will determine desired plant characteristics for fuel production and incorporate these traits into new varieties, develop better means to harvest, handle and store feedstocks to minimize losses and increase profitability and develop procedures to improve marketability through rapid quality tests.
- o Developments to improve the conversion of feedstocks into fuels, including genetic engineering of microorganisms for improved yields. Research will provide the basis to increase yields per unit of feedstock, reduce fermentation times, eliminate undesirable by-products and improve separation efficiencies.
- o Development of high-value co-products that can be produced as part of the fuels production process to improve the overall economics of the process. Research will be pursued to develop food uses and high volume industrial solvents and other products to more fully use the feedstock.



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A critical component of the Department's initiative is the transfer of new technology to producers and processors. A portion of the effort will assess performance and emissions characteristics and will scale-up promising technologies to demonstrate commercial feasibility. A continuing program of economic analysis will be integrated into the research plan to assess the implications of increased biofuels production on the environment, farm income and structure, rural development and natural resources. Coordination of the various aspects of the initiative within and outside of USDA will be handled through the Office of Energy.



# INITIATIVES

## NUTRITION EDUCATION

Program Level  
(Dollars in Millions)

Program	1992		
	1991 Actual	Current Estimate	1993 Budget
<b>NUTRITION EDUCATION:</b>			
Extension Service			
EFNEP, Base Programs .....	\$60.5	\$60.5	\$62.6
Intensive Education for WIC Participants ...	0.0	0.0	12.5
Develop New Training Materials .....	0.0	0.0	4.0
Ongoing Extension Education Programs .....	16.8	17.2	17.9
Food and Nutrition Service			
WIC, Nutrition Education Component .....	93.7	104.8	114.8
Nutrition Ed. & Training Program (NET) .....	7.5	10.0	15.0
Child Nut. Meal Planning and Guidance .....	0.0	0.0	2.0
Grants to Reach Food Stamp Participants ....	0.0	0.0	0.5
Food Safety and Inspection Service			
Poultry Hotline & New Label Info. Program ..	0.1	0.1	0.6
Human Nutrition Information Service			
Dietary Guidance and Education Programs ....	1.3	1.3	1.4
National Agricultural Library			
Toll Free No. to Get Nutrition Info. ....	0.7	0.7	1.2
Subtotal .....	180.6	194.6	232.5
<b>NUTRITION MONITORING:</b>			
Nutritional Status Assessment			
Agricultural Research Service .....	7.9	8.0	8.0
Cooperative State Research Service .....	4.3	5.2	5.7
Human Nutrition Information Service .....	6.2	7.0	9.8
Program Evaluation			
Cooperative State Research Service .....	0.3	0.3	1.8
Economic Research Service .....	1.1	1.1	1.5
Food and Nutrition Service .....	5.0	5.3	5.3
Subtotal .....	24.8	26.9	32.1
<b>NUTRITION RESEARCH:</b>			
Agricultural Research Service .....	41.7	41.9	47.1
Cooperative State Research Service .....	6.1	7.5	7.1
Human Nutrition Information Service .....	1.9	2.0	2.0
Subtotal .....	49.7	51.4	56.2
<b>TOTAL, Nutrition Education .....</b>	<b>\$255.1</b>	<b>\$272.9</b>	<b>\$320.8</b>

The budget proposes an expanded Nutrition Education Initiative which seeks to promote the nutritional well-being of Americans, with a particular emphasis on educating and informing: 1) children on the importance of good eating habits, and 2) limited resource adults on ways to improve their diets, spend their funds wisely, and handle food safely.

## INITIATIVES

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The initiative includes:

Nutrition Education. The budget proposes a 20 percent increase in spending to strengthen and expand nutrition education, with an emphasis on providing children, low income adults, and nutritionally at risk groups with sound nutrition guidance aimed at improving the composition of their diet. In addition to formula components and adjustments for inflation, \$25.0 million in new program level funds are proposed as follows:

- o For pregnant, lactating women, and their children, in addition to the basic nutrition education provided through the Supplemental Food Program for Women, Infants and Children (WIC), \$12.5 million in Extension Service funds are proposed to provide the neediest of WIC participants with more intensive training to substantially improve the composition of their diet. These funds will provide Extension education for about 50,000 WIC participants in addition to the existing 91,000 now served through the Expanded Food and Nutrition Education Program (EFNEP).
- o For hard to reach groups and individuals in segments of society at risk for nutritional deficiencies, USDA proposes \$4.5 million in grants for States to develop and distribute culturally specific training and nutrition education materials. Of this amount, \$4.0 million will be provided through Extension Service competitive grants. Approximately 40 grants will be awarded, resulting in 30 to 50 training products, including video and print materials, and other educational tools targeting on improving culturally diverse eating habits. The remaining \$0.5 million will be provided through the Food and Nutrition Service (FNS) for nutrition education demonstration projects designed to develop cost effective ways to inform food stamp eligibles about nutrition, resource management, and community nutrition education programs, such as EFNEP.
- o A gap in current USDA nutrition education efforts is a lack of emphasis on child care providers and preschool age children. To reach these pre-school children and child care providers, USDA proposes \$15.0 million for the Nutrition Education and Training Program (NET), a 50 percent increase over the current level. These additional funds will be used to 1) educate child care providers on nutritious, economical, and safe meals and snacks and 2) train child care providers to use nutrition education curricula for preschoolers.
- o Funding of \$2.0 million will allow increased technical assistance and implementation activities related to the soon to be published Nutrition Guidance for Child Nutrition Programs, which is based on the 1990 Dietary Guidelines for Americans. This will enable the FNS to begin a comprehensive effort to ensure complete dissemination to and training of over 275,000 Child Nutrition Program operators regarding the most recent nutrition information.



## INITIATIVES

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- o USDA proposes \$0.5 million in funds to enable the Food Safety and Inspection Service (FSIS) to undertake a campaign to educate consumers on how to read, understand and apply information contained on the new meat and poultry labels. The FSIS will also continue to provide information to the general public on food safety through its widely used food safety hotline and consumer education programs.
- o Finally, to minimize duplication, and ensure the availability of information, \$0.5 million is proposed to enable the National Agricultural Library (NAL) to build on its information network and establish a toll-free 800 number. By calling the NAL, educators, health professionals and interested consumers will be able to find out what informational resources are available for their use. The NAL and the FSIS will work together to coordinate their hotline activities.

Nutrition Monitoring. In order to measure improvements in the nutritional behavior of target groups, and understand problem areas, USDA proposes to strengthen nutrition monitoring. An increase of over 19 percent is proposed, including \$4.0 million for this initiative as follows:

- o An increase of \$1.2 million is proposed for the Human Nutrition Information Service to provide additional data on changes in the food intake patterns of selected population groups through significant improvements in the sampling capability of the Continuing Survey of Food Intakes by Individuals (CSFII). An additional \$0.4 million is proposed to improve the National Nutrient Data Bank and analyze trends in the nutrient composition of newly developed foods.
- o Working through the States, USDA also proposes an additional \$2.0 million in grant funds for the Cooperative State Research Service to research the dietary patterns and food choices of individuals (\$1.5 million) and to improve food survey methodology (\$0.5 million).
- o Recognizing the importance of economic inputs to program evaluation, a \$0.4 million increase is proposed for the Economic Research Service to strengthen its nutrition monitoring activities.

Nutrition Research. Many of the relationships between diet and health are inadequately understood. To continue research in this area, and to ensure that the Department's nutrition policies and dietary guidance are based upon adequate knowledge, the budget proposes a 9.3 percent increase for human nutrition research, including an additional \$5.2 million for the Agricultural Research Service. Expanded research would aim to:

- o Determine the nutrient and food components that may reduce chronic disease risk;
- o Clarify the specific mechanisms of food components in reducing chronic disease risk;

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- o Further examine nutrient functions to define nutritional status; and
- o Define important mineral functions and nutrient interactions.

Leadership and Coordination. To oversee successful implementation of this initiative, the Assistant Secretaries for Food and Consumer Services and Science and Education will co-chair a Nutrition Education and Information Working Group. This group will ensure the coordination of all existing USDA activities as well as those of other government agencies, such as the Departments of Health and Human Services and Education.

### FOOD SAFETY

#### Program Level (Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
<b>Pesticide Data Program:</b>			
Agricultural Marketing Service .....	\$11.9	\$11.9	\$11.9
National Agricult. Statistics Service	3.5	3.5	6.0
Economic Research Service .....	0.6	0.6	2.4
Human Nutrition Information Service ..	0.5	0.5	0.5
Subtotal, Pesticide Data Program ...	16.5	16.5	20.8
<b>Microbiological Data:</b>			
Food Safety and Inspection Service ...	0.0	0.0	11.7
<b>Research:</b>			
Agricultural Research Service .....	32.9	36.0	36.4
Cooperative State Research Service ...	7.9	8.8	7.1
Economic Research Service .....	0.6	0.6	1.3
Subtotal, Expanded Research .....	41.3	45.4	44.8
<b>Ongoing Efforts:</b>			
Food Safety and Inspection Service ...	31.6	32.9	34.6
Agricultural Marketing Service .....	0.7	0.7	0.7
Extension Service .....	1.5	1.5	2.0
Federal Grain Inspection Service .....	0.1	0.8	0.8
Subtotal, Ongoing Efforts .....	33.8	35.8	38.1
<b>TOTAL, Food Safety Programs .....</b>	<b>\$91.6</b>	<b>\$97.7</b>	<b>\$115.4</b>

In 1991, the Department initiated a multi-agency effort to collect and analyze pesticide residue data regarding actual exposure levels in fresh fruits and vegetables. Congress continued to support this \$16.5 million program in 1992. The Department also continued its research into the physical causes and economic consequences of food safety risks. Several



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ongoing efforts identify residues in meat, poultry, eggs and grains as well as efforts to communicate improved handling and cooking procedures. The budget requests an increase of 18 percent for 1993. Most of the increase is directed at improving knowledge of the incidence and severity of food-borne disease from microbial contaminants.

Pesticide Data Program. The Agricultural Marketing Service (AMS) administers a national pesticide residue monitoring program. Cost-sharing contracts with six states provide for sampling and testing of fresh fruits and vegetables within market distribution channels for pesticide residues. This sampling and testing program provides statistically valid estimates of pesticides residues.

The National Agricultural Statistics Service (NASS) and the Economic Research Service (ERS) collect and analyze on-farm pesticide use data and alternative pest control practices. These efforts are proposed for expansion in 1993.

The Human Nutrition Information Service (HNIS) is continuing to develop a procedure to translate food consumption data back to its commodity components. This procedure will enable linkage of HNIS' Nationwide Food Consumption Survey on individual eating patterns with the pesticide residue data.

Microbiological Data Program. The Food Safety and Inspection Service proposes an initiative to further identify and implement new meat and poultry inspection technologies as they relate to microbiological contamination. This initiative includes \$11 million for epidemiological and food safety monitoring support and \$0.7 million for laboratory infrastructure improvement. These funds will be used for active epidemiological monitoring and for microbiological techniques that will allow ongoing assessment of current and emerging inspection processes.

Research. For 1993, the Agricultural Research Service proposes \$36.4 million and the Cooperative State Research Service proposes \$7.1 million to develop improved techniques for rapid pesticide residue detection and new production systems and processes to control salmonella and other microbiological contaminants, and mycotoxins in food grains, feed grains, milk, meat, poultry and eggs. The ERS proposes \$1.3 million to conduct research on the economics of food safety.

Ongoing Efforts. In conjunction with the pesticide data program, ongoing programs are proposed at \$38.1 million to search and test for drug and pesticide residues, and microbiological and mycotoxin contaminants. Some of these funds are used also to educate farmers, merchandisers, and consumers regarding safe production, handling and food preparation procedures.

AMERICA THE BEAUTIFUL

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Tree Planting .....	\$85.7	\$69.3	\$139.0
Forest Service Recreation:			
"America's Great Outdoors" .....	286.6	321.6	360.4
Land Acquisition .....	88.7	88.3	100.0
Total .....	<u>\$461.0</u>	<u>\$479.2</u>	<u>\$599.4</u>

Beginning with the 1990 budget, the Administration initiated a program of Federal land acquisition for the land management agencies in the Departments of Interior and Agriculture. In 1991, the budget added a new array of tree planting programs, and the combined effort was named "America the Beautiful." In 1992 a major recreation initiative was added, and in 1993 the existing Forestry Incentives Program was included.

Tree Planting. In connection with the 1990 Farm Bill and the 1991 budget, the Administration announced a major initiative involving increased funding and new legislation to promote tree planting with a goal of planting or improving an additional one billion trees per year. In 1993 the ASCS Forestry Incentives Program which provides cost-sharing for forestry related practices on private lands engaged in commercial timber production is also being included. Altogether, there are six program activities funded as follows:

(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Forest Service Programs:			
Grants to State Forestry Agencies			
for Landowner Technical Assistance ...	\$12.4	\$13.3	\$20.0
Stewardship Education .....	0.0	0.0	5.0
Cost-sharing for Forestry Practices ....	19.9	19.8	71.6
Community Forestry Activities .....	21.1	23.8	30.0
Private Foundation Grant .....	19.9	0.0	0.0
Subtotal, FS .....	73.3	56.9	126.6
ASCS Forestry Incentives Program .....	12.4	12.4	12.4
Total, Tree Planting .....	<u>\$85.7</u>	<u>\$69.3</u>	<u>\$139.0</u>



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Recreation. The 1993 budget of \$360.4 million includes a \$38.8 million (+12 percent) increase over 1992 as the second installment of a multi-year effort to improve the availability and quality of recreation opportunities on the national forests. During 1992 - 1993, the first two years of the initiative, \$682 million will be spent on FS recreation activities, a 37 percent increase over the amount funded in 1990 - 1991. Special attention will be given to facilities near population centers, and there will be a strong emphasis on partnership arrangements where part of the resources will be provided by the private sector or State and local governments. The budget includes an expansion of FS recreation fee authorities with the goal of increasing recreation receipts. After making receipt-sharing payments to the States, the remainder of the increased receipts would be available for appropriation for outdoor recreation activities, beginning in 1994.

Land Acquisition. Lands and interests in lands are acquired within areas of the National Forest System for a number of resource management purposes, including outdoor recreation. The 1993 budget of \$100 million is an increase of \$11.7 million (+13 percent) over the 1992 level. Emphasis will be put on acquiring lands with special values such as those which will provide recreation opportunities to population centers, habitat for threatened or endangered species, wetlands, and inholdings within specially designated areas such as the National Wilderness Preservation System and Wild and Scenic Rivers.

# INITIATIVES

## WATER QUALITY PROGRAMS

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Research:			
Agricultural Research Service .....	\$42.5	\$45.7	\$46.2
Cooperative State Research Service ..	32.9	32.9	32.6
Economic Research Service .....	1.8	1.8	1.8
Forest Service .....	0.1	0.0	0.0
Subtotal .....	77.3	80.4	80.6
Data Collection and Analysis:			
Economic Research Service .....	1.9	2.4	2.3
Extension Service .....	0.3	0.3	0.5
Subtotal .....	2.2	2.7	2.8
Technology Transfer:			
Extension Service .....	23.4	25.2	29.3
National Agricultural Library .....	0.3	0.3	0.3
Soil Conservation Service .....	44.1	45.6	46.0
Subtotal .....	67.8	71.1	75.6
Financial Assistance:			
Agricultural Stabilization and Conservation Service:			
Agricultural Conservation Program:			
Demonstration Projects .....	1.8	1.8	0.0
Hydrologic Units .....	12.1	12.1	0.0
Special Water Quality Projects ...	9.1	9.1	0.0
Water Quality Incentives Program .	0.0	6.8	10.0
Colorado River Salinity Control ....	14.8	14.8	14.8
Conservation Reserve Program .....	5.4	9.3	16.3
Subtotal .....	43.2	53.9	41.1
Total, Water Quality .....	<u>\$190.5</u>	<u>\$208.1</u>	<u>\$200.1</u>

NOTE: Excludes funds for pest control and other programs which protect and improve water quality as a secondary benefit.



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The Water Quality Programs are funded at approximately \$200 million, an increase of more than 100 percent from 1989, and about the same level as 1992.

Research programs will focus on completion of work in the Midwest and research on specific issues in other areas. Data collection and analysis is continued at the 1992 level. This includes funding for the pesticide use survey, a multi-year program with the objective of generating improved estimates of pesticide use patterns and trends for all major agricultural crops.

Extension and Soil Conservation Service assistance related to the nationally selected demonstration and hydrologic unit projects will be continued. The increase for ES reflects a funding estimate required to fully support these ongoing projects and to enhance staff training in water quality.

Proposals for financial assistance reflect an increase for water quality incentives projects, but other ACP-based water quality programs would be discontinued. Emphasis will now be placed on analyzing the results of the demonstration projects and hydrological units to determine larger scale applicability.

The second signup for the reauthorized Conservation Reserve Program was carried out in July 1991. The 1990 farm bill provides authority to establish eligibility criteria based solely on water quality factors. USDA has implemented this new authority and makes annual payments for such things as sod waterways and filter strips. Participants provide permanent easements to assure that these improvements remain in place. 1993 estimates for CRP reflect plans for the July 1992 signup.

## INITIATIVES

### NATIONAL RESEARCH INITIATIVE

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Natural Resources and the Environment .....	\$14.0	\$18.0	\$28.0
Nutrition, Food Quality and Health .....	4.0	6.5	17.0
Plant Systems .....	35.0	40.0	52.0
Animal Systems .....	20.0	25.0	32.0
Processes and New Products .....	0.0	4.0	16.0
Markets, Trade and Policy .....	0.0	4.0	5.0
Total, National Research Initiative .....	<u>\$73.0</u>	<u>\$97.5</u>	<u>\$150.0</u>

The National Research Initiative (NRI) has proven successful in attracting high quality research proposals from a broad spectrum of scientists. Funding in 1991 allowed only about 22 percent of proposals to receive support. Consistent with a commitment to increase NRI funding, a total of \$150 million is proposed for 1993. The higher funding level will provide resources to support additional grants in the six categories of the NRI. Within the total, NRI funds also support research in other priority initiatives, including biofuels (\$4.5 million in 1993), new uses for commodities (\$18.3 million in 1993), global change (\$10.4 million in 1993), water quality (\$5.6 million in 1993) and human nutrition (\$8 million in 1993). The NRI also includes funding of \$18 million to map the genomes--the genetic blueprints--of important crop plants. Genome maps will form the basis for enhanced genetic engineering of plants by identifying the locations of economically important genes on chromosomes. The Agricultural Research Service is the lead agency for the genome mapping program.

The Administration remains committed to annual increments of \$50 million for the NRI provided that funds are appropriated on a non-earmarked basis. NRI subject areas are described below:

- o Natural Resources and the Environment. Research supports an enhanced understanding of agricultural and natural resources management systems and protection of the environment. Included among the topics for research are water quality as outlined in the USDA Research Plan for Water Quality and global change work in coordination with the plan of the Committee on Earth and Environmental Sciences.
- o Nutrition, Food Quality and Health. Research will focus on the relationships of human health to diet and food safety and quality. Opportunities are available to design foods for optimal nutrition and safety. Advanced research methods can help understand microbiological contamination and human nutrition at the molecular and cellular levels.



## INITIATIVES

- o Plant Systems. Developing a better understanding of basic plant functions offers the promise to address pest and disease problems through built-in defense mechanisms, provide improved biomass for energy production, increase forest productivity and develop more nutritious crop plants to improve human health.
- o Animal Systems. Animal disease has long been an impediment to profitable livestock production. Nutritional concerns have driven consumer preferences for lower fat products. Proposed research will apply advanced research tools including genome mapping and genetic engineering to understand the mechanisms which control fat deposition, animal disease and reproduction, and use that knowledge to solve production and consumer issues.
- o Processes and New Products. Opportunities exist to develop new high value markets for agricultural commodities and to provide products which are less damaging to the environment. Proposed research will provide the basis for industrial development of value-added or new products including biofuels.
- o Markets, Trade and Policy. A better understanding of international markets will help policymakers improve the competitiveness of U.S. agriculture. In addition to international market studies, research will investigate dietary patterns, rural community and economic development issues and review the impact of technology on the environment, people and communities.

## GLOBAL CHANGE

### Program Level (Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Agricultural Research Service .....	\$5.1	\$7.1	\$9.3
Cooperative State Research Service ....	9.6	11.6	13.4
Economic Research Service .....	0.0	0.8	0.7
Forest Service .....	22.7	23.3	22.7
Soil Conservation Service .....	1.5	1.5	1.5
Total, Global Change .....	<u>\$38.9</u>	<u>\$44.3</u>	<u>\$47.6</u>

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Agriculture and forestry concerns focus on increases in atmospheric carbon dioxide, methane and nitrous oxides from forest land conversion, livestock and rice production and the application of chemical nitrogen fertilizers. Concern also focuses on shifting temperature and moisture patterns which would have significant implications for agriculture and forestry. Informed decisions which might affect the production and supply of food and fiber products cannot be made until scientists better understand basic processes of carbon and nutrient cycling, climate and hydrologic cycles and soil formation.

As an integral component of the program plan of the Committee on Earth and Environmental Sciences, USDA is proposing a \$3.3 million increase in funding for global change research programs in 1993. Research funding is proposed for Federal scientists of ARS, ERS and the Forest Service and for competitive grants to universities and others to assure that a broad spectrum of expertise can be engaged in developing appropriate solutions to major issues identified in global change plans.

Soil and snow data collected by the Soil Conservation Service will continue to be an extremely important input into understanding regional and national responses to climate change. In addition to the directed global change programs described above, a number of other USDA research and data collection programs provide significant inputs into better understanding how crops, water and soils will respond to climate changes. Included are soil and water research and survey programs and plant and animal development programs to adapt to climate-related stresses. These important programs will be continued.



## INITIATIVES

### INITIATIVE TO SUPPORT 1890 LAND-GRANT INSTITUTIONS AND TUSKEGEE UNIVERSITY

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Cooperative State Research Service:			
Evans-Allen Formula for 1890			
Institutions .....	\$26.3	\$27.4	\$28.4
Capacity Building Grants .....	8.3	10.2	11.5
Strengthening Grants .....	2.0	0.0	0.0
Other Programs, Grants to Other			
Historically Black Institutions ...	4.1	3.9	1.6
Subtotal .....	40.7	41.5	41.5
Extension Service:			
Formula Payments for Extension			
Services .....	22.8	24.7	28.1
Other Program, Grants to Other			
Historically Black Institutions ...	1.8	1.9	1.8
Subtotal .....	24.6	26.6	29.9
Other Agencies:			
Cooperative Research, Support of			
Agency Programs, Student			
Assistance and Recruiting .....	10.8	12.7	13.5
Total, Program Funds .....	\$76.1	\$80.8	\$84.9
Extension Facilities Grants .....	\$9.5	\$9.5	0.0

The fourth year for the initiative to strengthen the historically black 1890 land-grant institutions and Tuskegee University will continue in 1993. These institutions are a traditional source of under-represented minorities trained in the food, agricultural and natural resource sciences. A centerpiece of the initiative is the Capacity Building Grants program which provides competitive grants to enable these institutions to develop enhanced capacity to recruit, train and graduate high quality individuals. Matching from non-Federal sources has been encouraged with a high degree of success in attracting matching funds. Funding for the program is increased to \$11.5 million in the proposed 1993 budget with a requirement for matching.

The 10-year program of grants for research and extension facilities was completed in 1992.

# RESEARCH AND EDUCATION

## AGRICULTURAL RESEARCH SERVICE (ARS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
<u>Operations</u>			
Soil and Water Conservation .....	\$73.0	\$82.0	\$82.9
Plant Science .....	232.7	244.8	252.0
Animal Science .....	107.8	112.5	114.0
Commodity Conversion and Delivery .....	121.0	127.4	138.2
Human Nutrition .....	48.3	49.9	55.1
Integration of Systems .....	23.5	26.0	26.2
Subtotal, Research Programs .....	606.3	642.6	668.4
Repair and Maintenance .....	17.4	17.4	17.4
Contingency Research Fund .....	0.4	0.9	0.9
Trust Funds .....	6.9	7.5	7.6
Subtotal, ARS Operations .....	631.0	668.4	694.3
<u>Construction</u>			
Buildings and Facilities .....	41.0	50.5	27.3
Total, ARS .....	<u>\$672.0</u>	<u>\$718.9</u>	<u>\$721.6</u>

ARS conducts basic and applied research at Federal laboratories to solve problems encountered by agricultural producers and consumers of farm and ranch products. Broad areas of emphasis include efficient food and fiber production, groundwater and other natural resource concerns of agriculture, food safety, development of new products and uses for agricultural commodities and support of USDA regulatory and technical assistance programs. ARS is the lead Federal agency for human nutrition research and operates five major labs for this research. In total, ARS conducts research at 126 locations throughout the U.S. and abroad. Beltsville, Maryland is the site of the largest ARS center which is also the world's largest multi-disciplinary agricultural research facility.

A proposed increase of \$25.9 million is included in the budget for research at Federal labs operated by ARS. Renewed emphasis is placed on developing new uses for agricultural products, including biofuels. Scientists will employ advanced research methods, including biotechnology, to improve the process for converting agricultural commodities and wastes into high value products for industry and consumers. A \$5 million increase is proposed to strengthen human nutrition research to provide the scientific basis for nutrition education programs serving children, low income adults and the



general population. Increases totalling \$3 million are also proposed for the development of improved pest controls, including biological controls and integrated pest management systems to address environmental concerns associated with pest control. A \$1 million share of the increase is proposed to develop control strategies for the sweetpotato whitefly, an increasingly devastating pest of fruit and vegetable crops in southern and western production areas.

Pursuit of research opportunities with sophisticated advanced methods requires the availability of modern laboratories with capabilities not envisioned when most ARS buildings were constructed. Included in the 1993 budget is \$27.3 million to continue a facility modernization program at five major ARS research locations.

Soil and Water Conservation. Development of a sound scientific basis to provide advanced technical assistance and education to producers to manage and conserve soil and water resources is an emphasis of this research program. Environmental concerns associated with farming and ranching continue to receive attention from the industry and the general public. ARS will continue a major program of water quality research in the midwest and other production areas in cooperation with university researchers. As part of the governmentwide program of research on global change, ARS will target additional resources to better understand potential effects on hydrologic systems at point, watershed and regional scales.

Plant Science. Ongoing research addresses a wide range of crop production issues, including pest and disease resistance, maintenance and improvement of plant germplasm for increased production efficiency, and understanding basic plant development and function for long-term enhancements in crop production. Improved crop plant varieties offer significant benefits for the environment, producers and consumers of agricultural products through resistance to disease and pests, improved quality characteristics and greater production. Availability of a diverse collection of germplasm resources is the foundation for crop variety improvements. A \$1.2 million increase is proposed to develop better methods of seed storage and to improve the viability of current germplasm collections.

Control of agricultural pests is a continuing challenge for producers. Environmental concerns continue to limit the options available while at the same time pests develop resistance to once-effective chemicals and new pests emerge. Opportunities exist to exploit biological controls and to develop comprehensive farming systems that integrate pest control with other farm management decisions. Increases are proposed to develop better biological controls for crop pests and to develop large scale integrated management systems to provide environmentally-sound pest control options. In addition, a \$1 million increase is proposed for research to develop effective controls for the sweetpotato whitefly, an increasingly significant pest in fruit, vegetable and other high-value crop production systems.

Commodity Conversion and Delivery. Research focuses on food safety and quality concerns, development of new food and industrial uses for agricultural commodities and elimination of barriers to export of

commodities. Implementation of the Clean Air Act Amendments will significantly increase demand for alternative fuels. Agriculture-based fuels, including ethanol and biodiesel substitutes can meet a portion of the demand, given research advances that improve the production process and provide value-added by-products. As part of a Departmentwide initiative, ARS is proposing a \$4.3 million increase in biofuels research to develop improved ethanol production processes, find means to produce value-added products as part of the production process and refine the methods available to produce biodiesel substitutes. Scientists will employ a variety of research approaches, including biotechnology and process engineering. Work in this area is being closely coordinated with research programs of the Department of Energy and EPA activities and is consistent with the goals of the President's National Energy Strategy.

Scientists have long recognized the unique properties of plant and animal products and a number of industrial and consumer products exploit these qualities. Environmental concerns, the need to improve our international competitiveness in value-added products and a need to provide opportunities in rural areas are creating additional incentives to convert agricultural commodities and residues into high value products for industrial and consumer markets. ARS plans to conduct research on totally degradable plastics, starch-based biopesticides, natural food additives, and industrial uses for food processing wastes. As research projects begin to produce results at the laboratory scale, ARS will work with industry through cooperative research and development agreements to assure the transfer of promising technologies with full involvement of industry. A portion of the research, focused on degradable plastics, is proposed as a part of the President's initiative on advanced materials.

Buildings and Facilities. Innovative research depends upon the availability of modern facilities to solve complex problems through the application of advanced research approaches. Many of the major facilities available to ARS researchers were constructed prior to 1960 and are functionally obsolete and in need of major modernization to correct health and safety code violations. A total of \$27.3 million is proposed for facility improvements at five priority ARS locations.

- o Albany, California (\$4.6 million) - phase four of an ongoing chemical wing modernization program.
- o Peoria, Illinois (\$1.5 million) - planning and design of chemical wing modernization program.
- o Ames, Iowa (\$3.9 million) - new incinerator.
- o Beltsville, Maryland (\$11.3 million) - continued funding for modernization consistent with major facility study. Includes \$4.4 million for a new wastewater treatment plant, \$5.2 million for phased greenhouse improvements and funds for other projects.
- o Plum Island, New York (\$6 million) - continued modernization of animal disease facility. An additional \$3.5 million is included in the APHIS budget.



# RESEARCH AND EDUCATION

## COOPERATIVE STATE RESEARCH SERVICE (CSRS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Hatch Act Formula .....	\$162.3	\$168.8	\$168.8
1890 Colleges and Tuskegee Formula ...	26.3	27.4	28.4
1890 Capacity Building Grants .....	8.2	10.2	11.5
Cooperative Forestry Formula .....	17.9	18.5	15.8
Special Research Grants .....	62.6	74.5	28.9
Critical Ag. Materials Act .....	0.8	0.4	0.0
National Research Initiative:			
Natural Resources & Environment ....	14.0	18.0	28.0
Plant Systems .....	35.0	40.0	52.0
Animal Systems .....	20.0	25.0	32.0
Nutrition, Food Quality & Health ...	4.0	6.5	17.0
Processes and New Products .....	0.0	4.0	16.0
Markets, Trade and Policy .....	0.0	4.0	5.0
Total, NRI .....	73.0	97.5	150.0
Animal Health and Disease Formula (Sec. 1433) .....	5.5	5.5	0.0
Aquaculture Research Centers .....	3.7	4.0	0.0
Alternative Crops Research .....	1.2	1.2	0.0
International Trade Centers .....	3.1	0.0	0.0
Sustainable Agriculture .....	6.7	6.7	4.5
State Ag. Weather Info. System .....	0.0	0.4	0.0
Fed. Administration (direct approp.) .	9.7	10.6	2.2
Higher Education .....	7.5	5.0	6.0
Morrill-Nelson Higher Education Grants .....	2.8	2.8	0.0
Total, Programs .....	391.4	433.6	416.0
Buildings and Facilities .....	62.9	75.3	0.0
Total, CSRS .....	<u>\$454.3</u>	<u>\$508.9</u>	<u>\$416.0</u>

Federally-funded agricultural research conducted in partnership with the State Agricultural Experiment Stations (SAES) is administered through the Cooperative State Research Service. CSRS provides funds through formula distributions to the SAES through the Hatch Act, cooperative forestry and animal health and disease programs, and to other eligible institutions for forestry and animal health research. Evans-Allen formula funds support research at the 1890 Colleges and Tuskegee University, the historically black land-grant schools. CSRS also operates competitive grant programs to

fund scientifically meritorious research at universities, Federal labs, private organizations and other institutions.

Hatch, 1890 Colleges and Cooperative Forestry Formulas. These programs provide non-earmarked funding for research in food and agricultural sciences and forestry. On a nationwide basis, Hatch Act formula funds represent roughly 9 percent of the research funding at State Agricultural Experiment Stations and formula funds provide nearly 100 percent of the research funding at the 1890 Colleges and Tuskegee University. An increase of \$1 million is proposed for the 1890 Colleges formula.

National Research Initiative. A significant feature of the 1993 CSRS budget is the National Research Initiative (NRI). A wide range of environmental and health and nutrition concerns have added additional complexity to production management decisions faced by agricultural producers. At a National level, there is interest in providing energy security, improving nutritional status, enhancing international competitiveness and providing opportunities for rural residents. Revolutionary developments in the biological sciences have equipped scientists with powerful new tools to solve these traditional and emerging challenges. An increase of \$52.5 million is proposed for the NRI to fund the most highly meritorious research proposals in six categories. Research to develop biomass fuels and new uses for agricultural products will be increased and work to map economically important crop plant genes will be increased from \$13 million in 1992 to \$18 million in 1993. ARS will continue to have lead responsibility for management of the genome program in conjunction with funding available in the ARS budget for genome research. The Administration remains committed to \$50 million annual increases in funding for the NRI contingent upon Congressional action to provide the funds without earmarking.

Capacity Building Grants (1890 Institutions). Capacity Building Grants are awarded on a competitive basis to 1890 Colleges and Tuskegee University to support improvements in teaching programs and enhance the ability of these schools to conduct advanced research. Matching from non-Federal funding sources is being required and institutions have been successful in obtaining matching funds. Participation of a USDA agency to assure relevance of the work to USDA programs and recruitment needs is a requirement. An increase of \$1.3 million is proposed.

Special Research Grants. Special Research Grants fund research on focused problem areas at land-grant universities and other institutions. Funding is proposed to continue seven National priority special grants.

- o Global Change (\$4 million) - funding for operation of the ultraviolet-B monitoring network and research on biomass fuels to reduce carbon emissions to the atmosphere.
- o Integrated Pest Management and Biological Control (\$5 million) - funding for development of improved integrated pest management systems including biological controls.



## RESEARCH AND EDUCATION

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- o Minor Use Animal Drugs (\$650,000) - funding for clearance of drugs to treat less common diseases and to assist production of less frequently produced (minor) animal species.
- o National Biological Impact Assessment Program (\$300,000) - funding for a program to monitor impact of biotechnology.
- o Pesticide Clearance (\$7 million) - funding for data gathering to reregister minor use pesticides.
- o Pesticide Impact Assessment (\$3 million) - funding for benefits data gathering and analysis for EPA reregistrations.
- o Water Quality (\$9 million) - funding for university research as part of USDA water quality program consistent with the USDA Research Plan for Water Quality.

Sustainable Agriculture. Environmental and profitability concerns have led many producers to examine alternative management systems which require the use of fewer purchased inputs. There is a need to conduct scientific research to support adoption of these management practices in a wide variety of climate, soil and crop settings. Funds are proposed to support a program in all regions of the country which involves farmers and other interested parties in determining program priorities and grant awards. Sustainable agriculture research is also conducted through the State Agricultural Experiment Stations and the Agricultural Research Service.

Higher Education. Funds are proposed to continue the successful graduate fellowships program to develop high quality expertise in the food and agricultural sciences. At the \$4.0 million level, about 60 doctoral and 30 master's fellows would be supported. A competitive institution challenge grants program initiated in 1990 would be funded at \$2 million with a continued requirement for matching with non-Federal funds. Funds are available to support improvements in teaching programs and faculty development in the food and agricultural sciences. Both of these higher education programs encourage increased participation of minorities in the agricultural sciences.

# RESEARCH AND EDUCATION

## EXTENSION SERVICE (ES)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
General Formula Programs:			
Smith-Lever 3(b&c) .....	\$252.7	\$262.7	\$262.7
1890 Colleges & Tuskegee University .	22.8	24.7	28.1
D.C. Extension .....	1.0	1.0	1.0
Subtotal .....	276.5	288.4	291.8
Smith-Lever Section 3d Programs:			
National Interest Programs:			
Water Quality .....	10.4	11.4	13.5
Youth at Risk .....	7.5	10.0	15.0
Food Safety .....	1.5	1.5	2.0
Low Income Nutrition (EFNEP) .....	60.5	60.5	62.6
Nutrition Education Initiative .....	0.0	0.0	11.1
Pest Management .....	7.4	8.2	10.0
Pesticide Impact Assessment .....	3.2	3.4	3.6
Farm Safety & Rural Health .....	2.0	2.5	1.0
Other Earmarked Programs:			
Urban Gardening .....	3.6	3.6	0.0
Indian Reservation Agents .....	1.0	1.5	0.0
Rural Development Centers .....	0.9	0.9	0.0
Subtotal .....	98.0	103.5	118.8
Renewable Resources Extension .....	2.8	2.8	0.0
Disadvantaged Farm Assist. (Sec. 1440) .....	2.5	2.5	0.0
Agricultural Communications .....	0.0	1.2	0.0
Federal Admin. (direct approp.) .....	9.2	11.3	6.7
Total, Extension Programs .....	389.0	409.8	417.3
1890 Extension Facilities .....	9.5	9.5	0.0
Total, ES .....	\$398.5	\$419.3	\$417.3

The Extension Service provides National leadership and coordination for the planning and support of education and technology transfer programs which are carried out in partnership with the States. Extension programs assist individuals and communities in identifying and solving farm, home and local problems through the application of information developed by USDA and the land-grant universities. Federal funds, which provide about one-third of Cooperative Extension funding nationwide, are distributed to the States by statutory formula and on a merit-basis.



## RESEARCH AND EDUCATION

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Smith-Lever 3(b&c), 1890 Colleges and D.C. Extension Programs. Formula programs provide non-designated support for education and technology transfer programs conducted through the State Cooperative Extension Services. Programs conducted through the 1890 Colleges and Tuskegee University generally focus on small-scale and limited resource producers. Increased funding proposed for programs at the 1890's will enhance the capabilities of those institutions to address National concerns including adolescent pregnancy and health, drug abuse, nutrition and sustainability of small-scale and limited resource farmers.

National Interest Programs. The extension system has conducted a national planning effort in recent years to identify high priority issues for extension emphasis. Funds are proposed to focus on designated National issues through directed and merit-based grants. An expanded Extension role in nutrition education is proposed as part of a Departmentwide initiative. Additional funds will provide for the development of culturally specific training materials for the Expanded Food and Nutrition Education Program (EFNEP) and will support extension staffing at the Children's Nutrition Research Center in Houston, Texas. Addition of Extension personnel at the research facility will enhance the incorporation of new knowledge into nutrition education programs nationwide. Extension funding is also proposed for a new program of nutrition education targeted to the neediest participants in the WIC program. The new program will provide intensive education over a six to twelve month time period to improve the nutritional status of low-income pregnant and lactating women. State extension services will be required to redirect a portion of formula funds to provide additional support for this program.

A \$15 million budget is proposed to expand the ongoing Extension youth-at-risk program. Funds are used to finance Extension participation in comprehensive prevention/intervention projects in specific communities or neighborhoods with serious risk factors such as poverty, high incidence of drug use, teen pregnancy, and welfare dependence. Projects are selected through a merit-based process and include community-based organizations and local as well as other non-Federal sources of funding. Commitments are made to sustain the projects over a period of years, and there is a commitment to evaluation as the program proceeds. Funds will also support training for extension staff and volunteers to enhance capabilities to address youth issues.

Farming ranks among the most hazardous occupations based on accident and death rates. At the same time, rural emergency personnel frequently are not trained in rescue techniques appropriate for victims of farm accidents. Extension has historically provided training to farmers on farm safety and health issues and is in a position to develop and deliver improved education on these issues. Proposed funds will be awarded to State extension services to fund meritorious proposals for the development of new training programs for farmers and rural emergency personnel. Programs and training materials will be made available to other states.

Growing public awareness and interest in chemical residues, microbial contamination and other food safety issues has increased the demand for science-based information on the part of consumers, processors and

## RESEARCH AND EDUCATION

producers of food products. Expanded research programs are developing improved production and processing techniques which can limit potential food safety concerns without sacrificing profitability. Extension proposes \$2 million to continue a food safety education program started in 1991 to inform producers and others in the food chain of means to avoid residues, microbiological contamination and other food-borne hazards. Increased funding for pest management will allow extension to expand efforts to include education on integrated pest management systems for fruit and vegetable producers.

Extension education in water quality , consistent with plans for water quality programs under a governmentwide initiative, is proposed for continuation in the proposed \$13.5 million program for 1993. Funds would continue to provide Extension education in 16 demonstration sites and 74 hydrologic units. Funds would also support additional training for State extension professionals to better enable those agencies to interpret and transfer results of water quality research programs.

A five year program of Extension facility improvements at the 1890 institutions and Tuskegee University was completed with funding appropriated for FY 1992. Funds from 1992 and prior year appropriations will remain available for design and construction of facilities at those institutions.

### NATIONAL AGRICULTURAL LIBRARY (NAL)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
National Agricultural Library .....	\$16.8	\$17.8	\$18.1

The National Agricultural Library collects and develops information on agriculture and related sciences and provides information assistance to scientists, specialists, managers, farmers, and the general public. NAL coordinates with public and private institutions in collection development, indexing and cataloging material pertaining to agricultural and related sciences. Several information centers, each focusing on a particular subject area, have been established to enhance the quality and quantity of information services. In addition to providing traditional library services, NAL is serving a wider audience by using modern electronic information dissemination technology to provide wider access to the world's agricultural literature.

Availability of current information on nutrition research and education will be critical to the success of the Department's nutrition education initiative. For over twenty years, NAL has operated a specialized center to provide information on nutrition. The budget includes \$500 thousand to



strengthen the center and to establish and operate a toll-free nutrition information line for scientists, educators and the public.

Development of a network of libraries with agriculture and related collections will allow NAL to stretch limited resources further by reducing duplication in a range of library functions. NAL will cooperate with other libraries in collection development and development of coordinated plans for cataloging, indexing, technological advancements for the storage of agricultural information, including easy access, retrieval and delivery of information, and other basic library services. A \$200 thousand increase in 1993 is proposed to continue the expansion and improvement of this information exchange network. In addition, funds are included for pay increases and to address priority maintenance requirements at the Library's Beltsville facility.

## ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

### ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION (AARC)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Alternative Agricultural Research and Commercialization .....	0.0	\$4.5	\$10.0

American agriculture has traditionally been a highly efficient and reliable supplier of bulk commodities in world markets. As foreign competition for these markets increases, there are growing opportunities to supply new, value-added products to meet consumer and industrial needs. Agriculture and forestry based products can address environmental concerns, reduce the use of nonrenewable and imported raw materials, improve the U.S. balance of trade, reduce farm program costs and enhance rural development opportunities. Advanced research techniques including biotechnologies and process engineering provide scientists with powerful tools to capitalize on unique properties of plant and animal commodities to develop novel products for domestic and foreign markets.

Increased funding is proposed for AARC programs as part of a Departmentwide initiative to develop and transfer to the private sector new uses and products based on farm, ranch and forest commodities. AARC programs will be conducted through the AARC Center under the general supervision of a Board which will include private sector participation. Close involvement of the private sector will be a key to commercial interest in the research and development programs conducted with these funds.



## COMMODITY PROGRAMS

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### COMMODITY CREDIT CORPORATION (CCC)

Commodity price support programs are financed through the Commodity Credit Corporation (CCC). The CCC borrows funds from the U.S. Treasury to finance its operations and repays these borrowings, with interest, from receipts and from appropriations provided by Congress. The CCC outstanding borrowings from Treasury may not exceed \$30 billion. Outlays for any fiscal year generally relate to the previous crop year; i.e., fiscal year 1992 outlays relate to the 1991 crop, and fiscal year 1993 outlays primarily relate to the 1992 crop.

CCC net outlays are difficult to predict accurately since they are heavily influenced by weather, foreign markets, and other uncertain events affecting commodity supply, demand, and prices during the nearly two-year period after the preparation of the initial January budget estimate.

Amendments to existing statutes which were made by the Food, Agriculture, Conservation, and Trade Act of 1990 (FACT Act) and the Omnibus Budget Reconciliation Act of 1990 (OBRA) continue to have significant impacts on both farm policy and on budgetary outlays for the CCC. Farm policy changes come primarily from provisions of the FACT Act, while budget savings mechanisms are found principally in the OBRA.

In November 1991, two additional pieces of legislation were enacted which will have some bearing upon farm programs and CCC outlays. The Food, Agriculture, Conservation, and Trade Act Amendments of 1991 made a number of technical changes, largely to permit or encourage greater flexibility in planting decisions and a larger number of alternative crops on base acreage. Funds for crop disaster assistance were also appropriated in November 1991 and are expected to result in the expenditure of \$995 million for 1990 and 1991 losses of program and non-program crops. Producers with losses may request payment for only one of the two crop years from the \$995 million appropriation. Should claims exceed the amount available, each claim will be satisfied by a prorata payment. Payment of such claims will occur in 1992.

CCC Program Costs. CCC net outlays for price support and related activities for 1993 are projected to total \$11.6 billion, down slightly from the nearly \$12.0 billion projected level for 1992. Commodity program costs are projected about \$0.9 billion higher, mostly due to higher feed grain outlays as stocks are projected to increase. On the other hand, non-commodity specific outlays are projected to be down by a net total of \$1.2 billion due to a combination of outlay changes in export programs, disaster assistance, working capital, and operating expenses. In addition, as part of a governmentwide initiative to implement means tests to better target Federal assistance programs, legislation is proposed which would exclude from CCC price support payments individuals with adjusted gross income of \$100,000 or more from non-farm sources.

# COMMODITY PROGRAMS

## CCC Net Program Outlays by Commodity (Dollars in Millions)

Commodity	Fiscal Years		
	1991	1992	1993
Feed Grains .....	\$2,722	\$3,092	\$4,087
Wheat .....	2,958	2,211	2,329
Rice .....	867	571	720
Cotton, Upland .....	382	1,281	702
Tobacco .....	-143	-86	20
Dairy .....	839	330	341
Soybeans .....	40	-109	42
Honey .....	19	11	6
Wool .....	172	178	185
Disaster Assistance .....	121 <u>a/</u>	1,029 <u>b/</u>	0
Other <u>c/</u> .....	2,133	3,453	3,213
Total, CCC .....	<u>\$10,110</u>	<u>\$11,961</u>	<u>\$11,645</u>

a/ Includes crop disaster payments of approximately \$6 million, with the remainder mostly for assistance for livestock producers.

b/ Includes disaster payments for the 1990 and 1991 crops of \$995 million as well as assistance for livestock producers.

c/ Includes "Other Commodities" -- minor oilseeds, rye, vegetable oil products, ELS cotton, sugar, and peanuts. Also includes changes in working capital, operating expenses, net interest expense, export programs, and processing, storage and transportation.



# COMMODITY PROGRAMS

## Analysis of CCC Program and Outlay Levels (Dollars in Millions)

Program	Program Levels		Net Outlays	
	FY 1992	FY 1993	FY 1992	FY 1993
Domestic Programs:				
Price Support Loans .....	\$8,115	\$8,173	\$641	\$353
Direct Payments .....	6,365	7,539	6,365	7,539
Purchases and Sales .....	1,315	1,291	344	468
Producer Storage Payments .....	26	24	26	24
Processing, Storage, and Transportation .....	205	138	205	138
Operating Expenses .....	7	7	7	7
Interest Expenditure .....	798	517	590	300
Disaster Assistance <u>a/</u> .....	1,029	0	1,029	0
All Other <u>b/</u> .....	414	439	1,124	1,097
Subtotal .....	18,274	18,128	10,331	9,926
Export Programs .....	7,105	7,104	1,630	1,719
Total, CCC .....	<u>\$25,379</u>	<u>\$25,232</u>	<u>\$11,961</u>	<u>\$11,645</u>

a/ Includes \$995 million in disaster payments for the 1990 and 1991 crops, as well as assistance for livestock producers.

b/ Includes minor commodity program costs, ocean transportation of export donations, change in working capital and equipment.

## INTERNATIONAL PROGRAMS

### INTERNATIONAL PROGRAMS

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Export Credit:			
Short-Term Guarantees (GSM-102) ....	\$4,438.9	\$5,000.0	\$5,000.0
Intermediate-Term Guarantees (GSM-103) .....	83.0	500.0	500.0
Emerging Democracies .....	0.0	200.0	200.0
Export Enhancement Program .....	916.6	1,200.0	1,200.0
Market Promotion Program .....	200.0	200.0	200.0
P.L. 480 .....	1,553.1	1,607.5	1,478.6
Foreign Agricultural Service .....	105.3	110.5	109.8
General Sales Manager .....	7.8	9.1	8.8
Office of International Cooperation and Development .....	37.8	40.7	40.0
Total, International Programs ....	<u>\$7,342.5</u>	<u>\$8,867.8</u>	<u>\$8,737.2</u>

### COMMERCIAL EXPORT PROGRAMS

The Department carries out a variety of commercial export programs, among the most important of which are the export credit guarantee programs and the Export Enhancement Program (EEP). These programs are administered by the Office of the General Sales Manager (OGSM).

Under the export credit guarantees programs, guarantees are provided by CCC for the repayment of commercial credit extended to finance U.S. agricultural export sales. During 1993, a total program level of \$5.7 billion has been established for the CCC credit guarantee programs. This includes \$5.0 billion to be made available under the GSM-102 program, which provides guarantees on export credit with short-term repayment terms (up to 3 years), and \$500 million to be made available under the GSM-103 program, which provides intermediate-term credit guarantees (3 to 10-year repayment terms). These levels are consistent with the minimum annual program levels established by the FACT Act and are unchanged from 1992.

An additional \$200 million of credit guarantees are expected to be made available by CCC during both 1992 and 1993 to promote the export of U.S. agricultural products to emerging democracies. As provided in the FACT Act, these may be made available as GSM-102 or GSM-103 export credit



## INTERNATIONAL PROGRAMS

guarantees or as guarantees for financing the establishment of or improvements in marketing, storage, and distribution facilities for imported agricultural commodities and products. The FACT Act requires that a total of \$1.0 billion of guarantees be made available for export to emerging democracies during the 1991 to 1995 period.

Total subsidy costs for the CCC Export Credit Guarantee Programs for 1993 are estimated to be \$158.5 million, which will support \$5.7 billion in export credit guarantees.

Under the EEP, the CCC provides bonuses to U.S. exporters to enable them to be price competitive and thereby sell U.S. agricultural products in targeted overseas markets where competitor countries are making subsidized sales. The program serves to enhance U.S. trade policy strategies and objectives and to expand U.S. agricultural exports. The budget assumes an annual program level for EEP of \$1.2 billion for 1992 and 1993. The outlay impact of the program is assumed to be budget neutral.

The budget provides a program level of \$8.8 million for OGSM, a slight decrease from 1992. Reduced funding is proposed for OGSM based on the anticipated completion during 1992 of the agency's ADP acquisition program, Augmentation 2000, which is being carried out in conjunction with FAS.

### P.L. 480 FOOD AID PROGRAMS

#### Program Levels (Dollars in Millions)

Program Activities	1991 Actual		1992		1993	
	Amount	MMT	Current Estimate		Budget	
	Amount	MMT	Amount	MMT	Amount	MMT
Title I Sales ....	\$460.5	2.7	\$563.8	3.0	\$512.1	2.9
Title II Donations	815.1	2.3	710.1	2.2	639.8	2.1
Title III Grants .	277.5	1.3	333.6	1.4	326.7	1.6
Total, P.L. 480	\$1,553.1	6.3	\$1,607.5	6.6	\$1,478.6	6.6

MMT represents million metric tons (grain equivalent).

The P.L. 480 program is the primary means by which the United States provides foreign food assistance. This assistance is provided through three separate program authorities. The CCC makes the agricultural commodities available for all these programs.

Title I of P.L. 480 provides for sales of U.S. agricultural commodities to developing countries through long-term concessional financing or for local currencies. In allocating assistance to be provided under the Title I program, priority is given to those developing countries which demonstrate

## INTERNATIONAL PROGRAMS

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the greatest need for food, are undertaking measures to improve their food security and agricultural development, and are potential commercial markets for U.S. agricultural commodities. The Title I program is administered by the Department of Agriculture.

Under the Title II donations program, food commodities are made available for distribution by recipient governments and public or private agencies in response to emergency conditions, or by private voluntary agencies, cooperative and international organizations, including the World Food Program, for non-emergency assistance. Financial assistance is also provided to private voluntary agencies and cooperatives to support their food aid activities in the recipient countries. The Title II program is administered by the Agency for International Development (AID).

Under the Title III Food for Development Program, food assistance is provided on a grant basis to least developed countries through government-to-government agreements. Sales proceeds derived from the sale of the commodities on the local market may be used to support a variety of economic development and related activities in the recipient countries. The Title III program is also administered by AID.

The budget provides a total program level of \$1.5 billion for P.L. 480 food assistance for 1993. Total P.L. 480 commodity shipments during 1993 are projected at 6.6 million metric tons, which is unchanged from the level currently estimated for 1992 due to lower projected commodity costs. Actual tonnages shipped will depend upon commodity prices and shipping costs during 1993.

Total subsidy costs for the P.L. 480 Title I credit program for 1992 are estimated to be \$317.8 million, \$70.6 million less than in 1992, reflecting the lower 1993 Title I direct credit level. Total outlays for P.L. 480 are \$406.5 million less than in 1992 largely because of a lower program level and because of loan restructuring for borrowers who are having trouble repaying under existing terms.



## INTERNATIONAL PROGRAMS

### FOREIGN AGRICULTURAL SERVICE (FAS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Foreign Agricultural Affairs .....	\$32.7	\$34.3	\$36.9
Foreign Market Information and Access .....	16.5	18.6	16.3
Foreign Market Development .....	55.6	57.1	56.6
AmeriFlora '92 Exposition .....	0.5	0.5	0.0
Total, FAS .....	<u>\$105.3</u>	<u>\$110.5</u>	<u>\$109.8</u>

The Foreign Agricultural Service has primary responsibility for assisting the private sector in expansion and maintenance of foreign export markets for U.S. agricultural products. Functions of the agency include collection of foreign market information regarding agricultural production and trade, development of foreign markets for U.S. agricultural products, and representation of U.S. agricultural interests abroad.

A program level of \$109.8 million is proposed for FAS, a small decrease below the 1992 level. The budget requests no further funding for Augmentation 2000, the agency's program of ADP acquisition which is being carried out in conjunction with OGSM. No funding is requested for the AmeriFlora '92 Exposition.

Increased funding is requested to meet higher operating costs projected for the agency's overseas offices. To carry out its reporting, representation, and market development activities, FAS maintains 63 counselor and attache posts, located in U.S. embassies and consulates, and 15 Agricultural Trade Offices (ATOs) which provide market development and trade promotion services. Overseas operating costs are expected to be higher in 1993 as a result of increased wage rates and prices in the countries where the offices are located; the recent expansion of the agency's presence in Eastern Europe and Panama; and the opening of new ATOs in Osaka, Japan, and Mexico City, Mexico.

The budget provides for continuation of the foreign market development programs administered by FAS near current levels. These include the Foreign Market Development Cooperator Program and the Market Promotion Program (MPP). Funding for FAS sponsorship of overseas trade shows will be reduced in 1993 as the budget proposes that participating U.S. firms will finance 100 percent of the costs of participating in those shows.

## INTERNATIONAL PROGRAMS

### OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT (OICD)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
International Scientific and Technical Cooperation .....	\$4.2	\$4.4	\$3.8
International Agricultural Development .....	2.2	2.3	2.2
Middle Income Country Training Program .....	(1.7)	(1.8)	(1.8)
Operation FAST .....	0.5	0.6	0.5
Foreign Currency Research Program .....	1.1	0.0	0.0
Trust Funds .....	2.6	3.5	3.5
Subtotal Direct Programs .....	10.6	10.8	10.0
Reimbursements from AID and Other Organizations .....	27.2	30.0	30.0
Total, OICD .....	<u>\$37.8</u>	<u>\$40.7</u>	<u>\$40.0</u>

The Office of International Cooperation and Development is responsible for cooperative international research, scientific and technical exchanges, and liaison with international agricultural organizations. OICD also directs training and technical assistance efforts in as many as 80 developing countries.

The budget provides a total program level of \$40.0 million for OICD during 1993. This includes \$10.0 million in direct program funding and \$30.0 million for technical assistance, training, and research activities which are funded through reimbursable agreements with the Agency for International Development and other organizations.

Included in the 1993 request is funding of \$1.8 million for the Middle-Income Country Training Program, the same as the 1992 level. This program provides training in the United States for agricultural specialists and managers from middle-income countries and the emerging democracies. Funding is also requested to continue Operation FAST -- OICD's Financial Accounting and Systems Tracking Plan. This is a multi-year effort which has been instrumental in improving the agency's financial management capabilities.



## SOIL AND WATER CONSERVATION PROGRAMS

### SOIL CONSERVATION SERVICE (SCS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Conservation Technical Assistance .....	\$426.5	\$478.0	\$486.2
Other Conservation Operations:			
Soil Surveys .....	69.8	72.6	72.5
Snow Surveys .....	5.6	5.7	5.7
Plant Materials Centers .....	7.9	8.1	8.1
Watershed Planning .....	9.2	9.5	6.4
Watershed and Flood Prevention Operations .....	185.7	205.3	152.9
River Basin Surveys and Investigations .....	12.8	13.2	10.1
Great Plains Conservation Program .....	24.6	25.3	25.3
Resource Conservation and Development .....	29.9	32.5	23.6
Trust Funds .....	0.3	0.6	0.6
 Total, SCS .....	 \$772.3	 \$850.8	 \$791.4

The mission of the Soil Conservation Service is to improve and conserve soil and water resource quantity and quality, improve agriculture, and reduce damage caused by floods and sedimentation. SCS provides technical assistance through soil conservation districts to land users, communities, watershed groups, Federal and State agencies, and other cooperators with erosion control and water management problems. In addition, SCS provides cost-sharing financial assistance through the Watershed and Flood Prevention Operations, Great Plains Conservation, and Resource Conservation and Development programs.

At the 1993 budget level of \$791.4 million, SCS will continue to place top priority on continuing its ongoing implementation of the conservation provisions of the FSA of 1985 as well as meeting the requirements of the FACT Act. This level of funding will also allow continued support for the Administration goals for enhancing water quality and preserving wetlands.

Conservation Technical Assistance (CTA). The planning deadline for FSA conservation compliance has been met, and efforts to install these plans are now underway. The 1993 budget includes \$486.2 million for conservation technical assistance which will maintain most activities at the 1992 level. This level will also be sufficient to enable the Department to provide the needed assistance to farmers and ranchers to meet the 1985 FSA deadline of December 31, 1994 for plan installation.

## SOIL AND WATER CONSERVATION PROGRAMS

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Continued implementation of the Administration's water quality initiative is another high SCS priority. Technical assistance and education programs will be offered by SCS and the Extension Service in those project areas begun in 1990 and 1991. The budget for CTA in 1993 includes \$46.0 million for this effort (page 21).

The FACT Act strengthened many of the conservation compliance provisions of the 1985 FSA and added several new requirements especially in the area of wetlands conservation. The FACT Act requires the Department to delineate wetlands on maps, to conduct on-site wetland determinations whenever requested by a land owner or operator, and to certify the wetland maps as sufficient for compliance purposes.

Other Conservation Operations. Funding for soil surveys, snow surveys and plant material centers will continue at the 1992 current estimate level. Soil surveys are made to inventory the Nation's basic soil resources and to determine land capabilities and conservation treatment needs.

Under its Snow Surveys and Water Forecasting program, SCS collects basic data to provide estimates of annual water availability from high mountain snow packs and relates this to summer stream flow in the western states and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

The purpose of SCS's Plant Materials Centers (PMC's) is to assemble, test, and encourage increased use of plant species which show promise for use in the treatment of conservation problem areas. Twenty-two PMC's are operated by SCS and four by cooperating agencies.

Watershed Planning. SCS makes preliminary investigations to assess proposed small watershed projects in response to requests made by sponsoring local organizations, and provides assistance to sponsors in the development of watershed work plans.

The budget includes \$6.4 million for Watershed Planning to continue funding the 71 plans that will be underway at the beginning of the year. Work will be concentrated on projects already underway and no funds are included for new planning starts.

Watershed and Flood Prevention Operations. The budget includes \$152.9 million in watershed construction to continue work already underway at the beginning of 1993. SCS will continue to emphasize non-structural land treatment measures, as well as other programmatic activities that: 1) minimize the number of active construction projects, and 2) lower the Federal cost-share portion of planning and operations. For emergency watershed protection operations, funding will enable completion of contracts signed in prior years, as well as provide an immediate response capability to life-threatening watershed emergencies that arise during 1993. One new construction start under Small Watershed Operations is scheduled for 1993.



## SOIL AND WATER CONSERVATION PROGRAMS

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River Basin Surveys and Investigations. SCS cooperates with other Federal, State, and local agencies in making investigations and surveys of river basins as a basis for the development of coordinated water resource programs. Reports of the investigations and surveys serve as guides for the development of water, land, and related resources in agricultural, rural, and upstream watershed settings.

The budget includes \$10.1 million and will continue the current trend of reducing the size and scope of studies done in cooperation with state and local sponsors. Funding will be continued for studies addressing highest priority resource problems and for studies where non-Federal sponsors have made the financial commitment to totally implement plans resulting from program studies. No funds have been requested for new river basin or flood management surveys.

Great Plains Conservation Program (GPCP). The objective of the Great Plains Conservation Program is to bring about a long-term solution to problems resulting from drought and the cultivation of land unsuited for sustained crop production in the ten Great Plains States. SCS participates in cost-sharing of permanent conservation practices under long-term contracts with farmers and ranchers in designated counties in the Great Plains. Through cost-sharing and technical assistance, SCS helps make needed land use adjustments and install conservation measures specified in basic conservation plans in accordance with contract schedules. It is funded at the 1992 level of \$25.3 million.

Resource Conservation and Development (RC&D). The purpose of the RC&D program is to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop and carry out programs for resource conservation and development. The program also establishes or improves the coordination systems used in rural communities to effectively utilize available Federal, State, and local programs.

The 1993 budget includes \$23.6 million which will provide area coordinators to all operational areas, including those which will be started in 1992. Emphasis will be placed on providing technical assistance as financially assisted measures are eliminated. Local sponsors would assume total responsibility for securing other than RC&D funding for project measures.

## SOIL AND WATER CONSERVATION PROGRAMS

### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE (ASCS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Environmental Conservation Acreage Reserve Program:			
Conservation Reserve Program .....	\$1,642.1	\$1,739.6	\$1,798.6
Wetlands Reserve Program .....	0.0	46.4	160.9
Agricultural Conservation Program ....	190.2	194.4	125.0
Water Quality Incentives Program ...	(0.0)	(6.8)	(10.0)
Colorado River Basin			
Salinity Control Program .....	14.8	14.8	14.8
Water Bank Program .....	13.6	18.6	11.4
Forestry Incentives Program .....	12.4	12.4	12.4
Emergency Conservation Program .....	10.0	6.0	0.0
Dairy Indemnity Program .....	a/	a/	0.0
Salaries and Expenses .....	677.3	720.5	714.6
Total, ASCS .....	<u>\$2,560.4</u>	<u>\$2,752.7</u>	<u>\$2,837.7</u>

a/ Less than \$0.05 million.

The Agricultural Stabilization and Conservation Service (ASCS) administers a variety of commodity and land-use programs aimed at supporting farm prices, adjusting farm production, conserving natural resources, and protecting the environment at the local level. ASCS's responsibilities also include management and operation of the Commodity Credit Corporation (CCC).

The Conservation Title of the FACT Act strengthened the conservation provisions of the Food Security Act of 1985 and introduced new provisions to help protect and enhance the environment by reducing soil erosion on agricultural lands, protecting wetlands, improving wildlife habitat, and improving water quality. A key provision of the FACT Act is the establishment of a new umbrella program, the Environmental Conservation Acreage Reserve Program (ECARP), that encompasses the existing Conservation Reserve Program and the Wetlands Reserve Program (WRP). The FACT Act requires that at least 40 million acres be enrolled in ECARP by the end of 1995, including one million acres in the WRP.

#### Environmental Conservation Acreage Reserve Program:

Conservation Reserve Program (CRP). The CRP offers producers annual rental payments, usually for a 10-year period, to remove highly erodible cropland and other environmentally sensitive land from production. Participants also receive cost share help to establish permanent cover. In the eleven CRP signups held so far, about



## SOIL AND WATER CONSERVATION PROGRAMS

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35.5 million acres have been entered in the program. The average soil loss on this land has been reduced from nearly 22 tons per acre per year to less than 2 tons per acre per year.

The FACT Act provided new authority to enroll cropland that contributes to water quality degradation in designated areas. For selected practices such as filter strips and waterways, participants are required to provide useful-life easements of 15 to 30 years. The Act also allowed 15-year contracts to encourage the planting of hardwood trees in woodland, windbreak, shelterbelt, and wildlife areas.

The program level of \$1,798.6 million proposed for 1993 will be used to meet requirements under existing contracts and for 1993 costs under contracts that will be entered into in 1992. The Department expects to enroll 1.1 million acres in 1992 and 381 thousand acres in 1993.

Wetlands Reserve Program (WRP). The FACT Act established a Wetlands Reserve Program which allows individuals to enroll farmed wetlands or converted wetlands in exchange for a long-term or permanent easement. Participants will also have to implement a wetlands conservation plan and will receive financial and technical assistance from the Department to do so. The budget proposal includes \$160.9 million for the full cost of an estimated 200,000 acres of wetlands that will be enrolled in the WRP during 1993. This will be in addition to the 50,000 acres that the Department plans to enroll in the program in 1992. The Administration plans to enroll an estimated one million acres in the WRP by the end of 1995.

Agricultural Conservation Program (ACP). Through the ACP, the Department provides cost sharing to landowners to restore and protect agricultural land and water resources. Funding for ACP is proposed at \$125.0 million for 1993, which reflects a reduction of \$69.4 million below the 1992 level. Funding is reduced by \$27.0 million for annual agreements, \$20.0 million for long-term agreements, \$2.0 million for the variable cost-share project, \$23.0 million for water quality projects, and \$0.7 million for Forest Service technical assistance. An increase of \$3.2 million over the 1992 level of \$6.8 million is provided for water quality incentives payments. These payments are being made under ACP to carry out a program similar to the water quality incentives program authorized by the FACT Act. Producers in designated areas receive incentive payments to implement comprehensive water quality protection plans. At this level of funding, the Department anticipates enrolling about 200,000 acres in this program. No additional cost share funding is slated for the designated and special water quality project areas that have received special funding allocations in the past.

Colorado River Basin Salinity Control Program. This program provides cost share assistance to landowners and others in the Colorado River Basin to enhance the quality and supply of water in the Colorado River. The program also supports the Administration's water quality initiative by reducing the salt load for downstream users. The budget proposes to maintain the 1992

## SOIL AND WATER CONSERVATION PROGRAMS

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program level of \$14.8 million to be used primarily in on-going projects located in Colorado, Nevada, Utah and Wyoming.

Water Bank Program (WBP). Through this program, landowners enter into 10-year agreements to protect natural wetlands and adjacent lands in exchange for annual payments. The 1993 budget includes a proposal that would permit the Secretary to purchase easements on land enrolled in the WBP. Within the program level of \$11.4 million proposed for 1993, the Administration's goal is to enroll about one-third of the 1993 acreage under permanent easements with this percentage increasing to 100 percent by 1995. While the proposed appropriation level reflects a reduction of \$7.2 million from the 1992 program level, the Administration's wetland protection goals will be further enhanced by increased funding requested for the Wetlands Reserve Program.

Forestry Incentives Program (FIP). The 1993 budget proposes to maintain the 1992 program level of \$12.4 million which will provide cost sharing for tree planting on about 150 thousand acres and timberstand improvement on about 25 thousand acres. This is an integral part of the President's multi-year initiative to plant or improve an additional one billion trees each year through the "America the Beautiful" campaign.

The Emergency Conservation Program provides cost-sharing to rehabilitate disaster impacted farmland. No funds are requested for this program.

ASCS's Salaries and Expenses Account (S&E) is the consolidated funding source for all management related activities concerning ASCS and CCC programs. For 1992, \$720.5 million is appropriated for S&E account activities. The 1993 budget proposes an appropriation of \$714.6 million estimated to support 3,248 Federal staff years and 15,012 county staff years needed to carry out the programs of CCC and the agency's conservation programs.



# FOREST SERVICE

## FOREST SERVICE (FS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
America the Beautiful:			
Tree Planting .....	\$73.3	\$56.9	\$126.6
Recreation, America's Great Outdoors .....	286.6	321.6	360.4
Land Acquisition .....	88.7	88.3	100.0
Subtotal .....	448.6	466.8	587.0
Timber Related Activities .....	1,338.0	1,422.6	1,338.1
Forest Research and Research Construction .....	186.0	184.1	173.7
State and Private Forestry (Excluding Tree Planting) .....	109.1	124.9	72.4
Other Programs:			
Wildlife and Fish .....	113.1	127.0	133.6
Soil, Water, and Air .....	69.3	74.3	66.8
Range .....	42.9	47.3	51.7
Minerals .....	29.0	32.7	39.0
Forest Fire Protection .....	176.2	183.0	193.2
General Administration Not Allocated to Timber Activities .	227.1	235.4	256.3
Road Construction Not Allocated to Timber Activities .	78.2	51.4	96.3
Road Maintenance .....	91.3	85.9	83.2
Miscellaneous .....	145.6	145.6	153.4
Subtotal .....	972.7	981.1	1,071.5
Total, Controllable Programs .	3,054.4	3,181.1	3,244.6
Forest Fire Suppression .....	118.0	110.6	187.0
Total, FS .....	\$3,172.4	\$3,291.7	\$3,431.6
Timber Sales Volume (BBF)	6.180	7.1 - 8.4	7.5 - 8.0
Timber Harvest Volume (BBF)	8.475	8.100	8.500
Receipts from Timber, Minerals, etc.	\$1,208.3	\$1,354.6	\$1,337.0

## FOREST SERVICE

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The National Forest System consists of about 191 million acres of national forests, national grasslands, and land utilization projects in 44 States, Puerto Rico and the Virgin Islands. Managing these lands accounts for the bulk of the FS budget. In addition, the agency conducts research, and provides technical assistance and funding to State Forestry agencies, and funds a cost-share program to encourage tree planting and other forest stewardship practices on private woodlands.

America the Beautiful. The 1993 budget proposes significant increases in funding for a number of natural resources activities under the umbrella of "America the Beautiful." This is covered under Initiatives on page 19.

Timber Operations. The budget will finance a timber sales level for 1993 at 7.5 - 8.0 Billion Board Feet (BBF) which is within the 7.1 - 8.4 BBF range for 1992 cited in the Interior Appropriation conference report. Timber sales volumes are expressed in ranges in recognition of the fact that, in the next few months, the Administration, the Congress, and the courts will make a number of significant environmental determinations affecting the program. As the housing sector of the economy improves, the volume of timber harvested is expected to return to the 1991 level of 8.5 BBF. Total funding for timber related activities in 1993 is \$1,340.1 million, a reduction of \$84 million (-6 percent) from the 1992 level.

Research. Forest Research is funded at \$173.7 million, which is a \$10.4 million reduction (-6 percent) from the 1992 level. Within the overall reduction there are small increases for research related to wetlands, forest health monitoring, recycling, enhancing rural America, and tropical forestry. Global Change research is funded at \$22.7 million, a reduction of 3 percent from the 1992 level. The overall Forest Research funding reduction will be managed through attrition. There are no location closures, research work unit terminations, or reductions in force associated with the proposed funding level.

State and Private Forestry. In addition to the tree planting activities described under America the Beautiful, FS operates cooperative programs with the State forestry organizations in pest management, wildfire protection, forest management and special projects. These activities are funded at \$72.4 million in 1993 which is a \$52.5 million reduction (-42 percent) from the 1992 level. Within the overall reduction, there is an increase in the tropical forestry program which provides technical assistance to other countries. This initiative is funded at \$9.6 million in 1993, a \$4.6 million increase (+92 percent) from the 1992 level.



# SMALL COMMUNITY AND RURAL DEVELOPMENT

## FARMERS HOME ADMINISTRATION (FmHA)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Loans .....	\$4,256	\$6,175	\$4,595
Grants .....	374	382	369
Administrative Expenses .....	637	745	692
Total, FmHA .....	<u>\$5,267</u>	<u>\$7,302</u>	<u>\$5,656</u>
Subsidies .....	0	\$911	\$690

The Farmers Home Administration (FmHA) administers a broad range of loan and grant programs providing farm credit and rural housing assistance. These programs are authorized principally by the Consolidated Farm and Rural Development Act and Title V of the Housing Act of 1949. Rural development programs previously administered by FmHA have been transferred to a new agency, the Rural Development Administration (RDA) in accordance with the FACT Act of 1990 and the FACT Act Amendments of 1991.

The 1993 budget adopts OBRA mandated loan levels for farm lending and continues the policy of shifting from direct to guaranteed loans. Guaranteed loans have exceeded direct loans since 1987. Development of a secondary market for guaranteed farm loans should further encourage the use of guaranteed loans in 1993.

For rural housing, the 1993 budget includes a mix of direct and guaranteed loans, grants, and a voucher program. A portion of the guaranteed loans for both farm credit and rural housing will be subsidized. This important initiative which began in 1991 will encourage private sector guaranteed lending and provide more opportunity for borrowers who cannot afford commercial interest rates to qualify for such loans.

A stronger emphasis on guaranteed loans, together with interest assistance for a portion of the guaranteed loans, will stimulate private lending in rural areas. This not only improves the market orientation of government-assisted credit supplied to rural areas, it also relieves FmHA personnel from a portion of the loan making and loan servicing responsibility, freeing them to work on other policy initiatives such as improving the loan servicing on the outstanding loan portfolio.

Administrative funding for FmHA in 1993 is estimated to be \$692 million. This reflects a \$53 million decrease from the 1992 level of \$745 million. The change reflects staff-year and ADP reductions. Total outlays beginning in 1992 reflect the impact of program changes, as well as increased receipts available from pre-1992 loans.

# SMALL COMMUNITY AND RURAL DEVELOPMENT

## Farm Programs (Dollars in Millions)

Program	1991	1992		1993	
	Actual Obligations	Program Level	Program Subsidy	Program Level	Program Subsidy
Agricultural Credit Insurance Fund:					
Farm Operating:					
Guaranteed Unsubsidized .....	\$864	\$1,800	\$23	\$1,250	\$15
Guaranteed Subsidized .....	176	182	15	698	45
Direct .....	490	850	130	314	47
Subtotal .....	1,530	2,832	168	2,262	107
Farm Ownership:					
Guaranteed Unsubsidized .....	326	489	25	300	13
Guaranteed Subsidized .....	39	0	0	62	11
Direct .....	57	67	15	28	5
Subtotal .....	422	556	40	390	29
Direct Soil and Water .....	5	5	1	0	0
Guaranteed Soil and Water .....	1	1	a/	0	0
Emergency Disaster Loans .....	81	104	55	100	27
Credit Sales of Inventory Property .....	59	200	60	125	32
Total, Loans .....	2,098	3,698	324	2,877	195
State Mediation Grants .....	3	4		2	
Total, Farm Programs .....	\$2,101	\$3,702	\$324	\$2,879	\$195

a/ Less than \$0.5 million.

In 1993 FmHA expects to make \$2.9 billion in farm loans, approximately 37 percent above actual 1991 obligations. This lending level is \$1.9 billion less than amounts available under OBRA, and may increase to OBRA limits if demand increases.

Credit sales of inventory property are estimated at \$125 million, consistent with expected demand.



## SMALL COMMUNITY AND RURAL DEVELOPMENT

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Consistent with directives of OBRA, loan emphasis continues to shift from direct loans to guaranteed loans. The guaranteed loan interest assistance program, which provides up to four percentage points of interest rate relief to borrowers, should continue to facilitate the shift of existing direct loan borrowers to commercial credit and should allow the agency to serve new borrowers under the guarantee program.

The agency will again propose legislation to limit the number of years borrowers will be eligible for direct and guaranteed loan assistance. Credit assistance would be discontinued for borrowers unable to shift to commercial credit after the seven to fifteen year period of eligibility.

The operating loan level proposed for 1993 totals \$2.3 billion. Guaranteed operating loan authority remains at about the 1992 level of \$2.0 billion, and includes \$1.25 billion in unsubsidized guarantees, rather than the \$2.6 billion provided by OBRA, and \$0.7 billion in subsidized guarantees. Reductions in direct lending are offset by an increase in subsidized guarantees from \$182 million in 1992 to \$698 million in 1993.

The 1993 budget assumes demand for \$300 million in unsubsidized farm ownership guarantees, within the \$805 million provided by OBRA, and \$62 million for subsidized farm ownership guarantees. The program level for emergency loans is consistent with expected usage.

# SMALL COMMUNITY AND RURAL DEVELOPMENT

## Rural Housing Programs (Dollars in Millions)

Program	1991	1992		1993	
	Actual Obligations	Program Level	Program Subsidy	Program Level	Program Subsidy
Rural Housing Insurance Fund:					
Single-Family Housing					
Guaranteed Unsubsidized .....	\$8	\$330	\$4	\$300	\$6
Guaranteed Subsidized .....	30	0	0	400	97
Direct .....	1,276	1,295	284	450	110
Very Low-Income Hous. Repair ..	11	11	5	11	4
Rental Housing .....	576	574	248	341	243
Domestic Farm Labor Housing ...	14	16	9	16	8
Site Development .....	1	1	a/	0	0
Self-Help Housing .....	1	a/	a/	0	0
Credit Sales of Inventory					
Property .....	241	250	37	200	27
Total, Loans .....	2,158	2,477	587	1,718	495
Rural Housing Grants:					
Domestic Farm Labor Housing ...	11	11		10	
Very Low-Income Repair .....	13	12		5	
Mutual and Self-Help Housing ..	13	9		0	
Construction Defects .....	0	1		0	
Housing Preservation .....	23	23		10	
Housing Vouchers .....	0	0		140	
Supervisory & Tech. Asst.....	0	2		0	
Rural Rental Assistance .....	311	320		202	
Total, Grants .....	371	378		367	
Total, Rural Housing Programs .....	\$2,529	\$2,855	\$587	\$2,085	\$495

a/ Less than \$0.5 million.



FmHA administers a broad mix of rural housing programs, including direct loan programs for single-family housing and rental housing, as well as rental assistance to low-income residents of FmHA-financed rental housing. Interest rates on single-family housing loans can be subsidized to as low as one percent with the average interest rate of 4 percent being paid. The typical family being served by the single-family housing program has an annual income of about \$15,900. Those served by the rental housing program have incomes of about \$8,000.

The 1993 budget will provide assistance for about 66,000 housing units, compared to 78,500 in 1992. The budget proposal for 1993 provides for an expansion of the subsidized guaranteed loan program for low-income families that was initiated in 1991. This proposal would encourage the private sector to become more involved in supplying housing for rural residents. In addition, unsubsidized guaranteed loans will be provided for moderate-income families who can afford to pay commercial interest rates but require a guarantee to obtain commercial credit.

Single-family housing will be funded at \$1,150 million, of which \$450 million will be available for direct loans, \$400 million for subsidized guaranteed loans and \$300 million for unsubsidized guaranteed loans. The interest assistance on guaranteed loans will average 3.75 percent and the effective interest rate to borrowers will not drop below 3 percent. This rate of assistance should be sufficient to reach a significant share of the low-income families eligible for FmHA assistance. Credit sales of inventory property are estimated at \$200 million. Under credit reform provisions, loans for the credit sales of inventory property are requested as part of new loan authority. Rental housing loans will be funded at \$341 million.

In addition to the loan programs, \$202 million will be available for rental assistance and \$140 million for housing vouchers. Vouchers will be targeted to those areas in which there is an adequate supply of housing.

# SMALL COMMUNITY AND RURAL DEVELOPMENT

## RURAL DEVELOPMENT ADMINISTRATION (RDA)

### Rural Development Programs (Dollars in Millions)

Program	1991	1992		1993	
	Actual Obligations	Program Level	Program Subsidy	Program Level	Program Subsidy
Rural Development Insurance Fund:					
Water and Waster Disposal Loans					
Direct .....	\$500	\$600	\$90	\$600	\$87
Guaranteed .....	1	35	1	0	0
Subtotal .....	501	635	91	600	87
Business and Industry					
Loan Guarantees .....	100	100	6	100	5
Disaster Assistance					
Guarantees .....	27	0	0	0	0
Subtotal .....	127	100	6	100	5
Community Facility Loans					
Direct .....	100	100	12	100	8
Guaranteed .....	25	25	1	100	0
Subtotal .....	125	125	13	200	8
Indian Land Acquisition ....	a/	1	a/	0	0
Watershed and Flood Prev....	0	4	a/	0	0
Resource Conservation					
& Development .....	0	1	a/	0	0
Total, RDIF .....	753	866	110	900	100
Rural Development Loan Fund ..	32	32	16	35	20
Farms for the Future .....	0	10	4	10	4
Total, Loans .....	785	908	130	945	124
Rural Development Grants					
Water and Waste Disposal ...	308	350		300	
Rural Development .....	21	21		35	
Fire Protection .....	3	4		0	
Solid Waste Management .....	2	3		0	
Emergency Community Water					
Assistance .....	0	10		0	
Total, Grants .....	334	388		335	
Total, Rural Development	\$1,119	\$1,296	\$130	\$1,280	\$124
RDA Administrative Expense ...	\$61	\$74		\$74	

a/ Less than \$0.5 million.



## SMALL COMMUNITY AND RURAL DEVELOPMENT

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The Food, Agriculture Conservation and Trade Act Amendments of 1991, P.L. 102-237, required the establishment of the Rural Development Administration (RDA). Secretary's Memorandum 1020-34, dated December 31, 1991, created and established RDA within the Department. The FACT Act, as amended, requires that the community and business programs administered by FmHA and the associated personnel and finances be transferred to the new agency. The Farms for the Future Program, mandated by the FACT Act, also will be transferred to RDA under discretionary authority provided the Secretary by the FACT Act. The Secretary may transfer other programs to the RDA at a later time.

The budget also reflects support for the President's Rural Development Initiative, announced in January 1990. The 1993 budget for rural development is consistent with the overall level authorized for these programs in 1992 and is higher than actual obligations for the programs in 1991. The budget includes \$600 million in direct water and waste disposal loans; \$100 million for Business and Industry Loan Guarantees; \$35 million for the Rural Development Loan Fund; \$200 million for the Community Facilities Loan program, \$100 million of which is for guaranteed loans; \$300 million for Water and Waste Disposal grants; \$35 million for Rural Development Grants; and \$10 million for Farms for the Future.

In addition to the transfer of programs, RDA will be responsible for administering the President's Rural Development Initiative. This entails working with the President's Council on Rural America to complete an assessment of rural economic development problems and private sector initiatives needed to help resolve the structural economic problems in rural areas. This assessment is due in July, 1992.

RDA will continue to assist states in establishing state Rural Economic Development Councils, coalitions of state and local governments and the private sector and Federal Agencies within each state. The Councils are responsible for developing specific development strategies for their states. Councils have been established in eight states. Additional Councils will be established in 1992 and in 1993. In addition to USDA, most other Federal Departments and Agencies are supporting the creation of the Councils. Other participants include the Departments of Commerce, Housing and Urban Development, Health and Human Services, Education, Veterans Affairs, Interior, Transportation, Defense, and the Small Business Administration.

# SMALL COMMUNITY AND RURAL DEVELOPMENT

## RURAL ELECTRIFICATION ADMINISTRATION (REA)

### Electric and Telephone Programs (Dollars in Millions)

Program	1991	1992		1993	
	Actual Obligations	Program Level	Program Subsidy	Program Level	Program Subsidy
Rural Electrification and Telephone Revolving Fund:					
Electric:					
Direct .....	\$485	\$622	\$117	\$524	\$98
FFB .....	851	813	14	813	35
Private Sector Guarantees .....	0	0	0	176	a/
Subtotal, Electric .....	1,336	1,435	131	1,513	133
Telephone:					
Direct .....	186	239	40	0	0
FFB .....	73	120	0	0	0
Private Sector Guarantees .....	0	0	0	0	0
Subtotal, Telephone ....	259	359	40	0	0
Rural Economic Devel. Loans.	10	8	3	16	4
Modified Loans .....	0	494	0	266	48
Total, RETRF .....	1,605	2,296	174	1,795	185
Rural Telephone Bank:					
Direct, Unsubsidized .....	177	177	4	415	a/
Direct, Subsidized .....	0	0	0	60	10
Private Sector Guarantees ....	0	0	0	0	0
Total, RTB .....	177	177	4	475	10
Total Loans and Subsidies .....	1,782	2,473	178	2,270	195
Grants:					
Rural Economic Development ...	0	5		0	
Distance Learning Medical Links	0	5		0	
Total Grants .....	0	10		0	
Total, REA .....	\$1,782	\$2,483	\$178	\$2,270	\$195
Salaries and Expenses .....	\$33	\$38		\$42	b/

a/ Less than \$0.5 million.

b/ In 1993 a 2 percent loan origination fee will be assessed on all RTB loans and will be deposited directly into Salaries and Expenses to administer the RTB program.



The 1993 budget continues to promote a shift from direct to guaranteed private sector loans and other reforms for REA. A partial step in this direction was taken in the OBRA which mandates a 25 percent shift from direct to 90 percent guaranteed loans. The budget also proposes to privatize the RTB by 1996.

The budget supports OBRA levels of \$524 million for direct electric distribution loans and \$176 million in private sector loan guarantees. In addition, \$813 million in direct Treasury rate loans would be available to power supply or distribution borrowers. In total this is an increase of \$78 million above the amount available for electric loans in 1992. In addition, \$266 million would be available for modified loans for power supply borrowers experiencing financial difficulty in repaying an existing loan. In 1991 several borrowers preferred to utilize the guarantee loan program rather than the 5 percent direct loans because the guaranteed loans were more readily accessible. Accessibility is more attractive to some borrowers than the interest rate. The Administration is encouraging other borrowers to follow this trend.

The budget proposes to shift all telephone lending to the Rural Telephone Bank (RTB) rather than continue to administer telephone loans through two separate programs. The vast majority of telephone borrowers are financially secure and do not need access to deeply subsidized capital as offered in the RETRF. For these borrowers \$415 million would be available for unsubsidized direct loans at the Treasury interest rate; and for financially needy borrowers \$60 million would be available for direct loans subsidized to as low as 5 percent. This proposal continues to offer about the same total level of telephone loans as in 1992 at interest rates well below commercial market rates. A two percent loan origination fee would be assessed on all new RTB loans to pay the expenses incurred by REA in administering the RTB program.

Total outlays for REA reflect the impact of actions taken to help borrowers to repay their loans, such as refinancing and prepayment without penalty.

# SMALL COMMUNITY AND RURAL DEVELOPMENT

## FEDERAL CROP INSURANCE CORPORATION (FCIC)

### Program Level (Dollars in Millions)

Program	1991 Estimate	1992 Current Estimate	1993 Budget
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#### Program Performance Indicators:

Insured Acres (millions) .....	85	96	94
Total Premium (millions) .....	\$750	\$886	\$912
Loss Ratio .....	1.20	1.30	1.25

#### Program Level:

Operating Expenses .....	\$332	\$382	\$395
Indemnities .....	908	1,146	1,136
Total, Program Level .....	<u>\$1,240</u>	<u>\$1,528</u>	<u>\$1,531</u>

#### Financing Sources:

Farmer Paid Premium .....	\$569	\$659	\$681
Net Government Costs .....	671	869	850
Total, Program Level .....	<u>\$1,240</u>	<u>\$1,528</u>	<u>\$1,531</u>

The Federal Crop Insurance Corporation provides farmers protection against losses due to reduced yields resulting from natural disasters and other unavoidable causes. Crop insurance is available for most crops in most counties. Farmers pay on average about 75 percent of the insurance premium, while the Government pays the remaining 25 percent of premium, delivery expenses, and excess indemnities.

In 1993 total premium is projected at \$912 million, increased slightly from the 1992 estimated level of \$886 million. The increase reflects higher premium rates. Participation is projected to decline slightly, from 96 million acres in 1992 to 94 million acres in 1993. Loss ratios, the ratio of indemnities to premium, are projected to improve from 1.30 in 1992 to 1.25 in 1993.



# FOOD AND CONSUMER SERVICES

## FOOD AND NUTRITION SERVICE (FNS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Women, Infants, and Children (WIC).	\$2,375.1	\$2,602.7	\$2,840.0
Food Stamp Program .....	18,735.9	22,648.8	22,704.5
Nutrition Assist. For Puerto Rico	963.4	1,002.2	1,051.0
Child Nutrition Programs:			
School Lunch .....	3,553.2	3,710.6	3,975.0
School Breakfast .....	693.8	744.8	816.5
Child and Adult Care Food .....	916.7	1,173.4	1,170.5
Child Care Audits .....	11.2	16.0	18.6
Summer Feeding .....	179.1	189.3	203.2
State Administrative Expenses ...	63.4	69.1	77.9
Commodity Procurement:			
FNS .....	253.6	203.6	210.1
Section 32 .....	350.9	400.0	400.0
Nutrition Studies and Surveys ...	3.1	3.8	3.1
Nutrition Education and Training	7.5	10.0	15.0
Federal Review Initiative .....	3.6	4.6	3.8
Food Service Management Institute	1.1	1.3	1.5
Dietary Guidelines .....	0.0	0.0	2.0
Subtotal .....	6,037.2	6,526.6	6,897.2
Special Milk Program .....	20.4	20.8	21.9
Commodity Supplemental Food Program	81.9	90.0	90.0
Food Donations Programs:			
Food Distribution Program .....	78.2	78.3	81.0
Nutrition Program for the Elderly	141.7	140.8	142.9
Soup Kitchen Commodities .....	32.0	32.0	32.0
Subtotal .....	251.9	251.1	255.9
The Emergency Food Assistance Program .....	170.0	165.0	165.0
Food Program Administration .....	96.8	103.5	108.7
Total, FNS Program Level .....	<u>\$28,732.6</u>	<u>\$33,410.7</u>	<u>\$34,134.2</u>
Food Stamp Benefit Reserve .....	0.0	\$466.7	\$5,297.0

### FOOD AND NUTRITION SERVICE (FNS)

The Food and Nutrition Service administers domestic food assistance programs which provide access to a more nutritious diet for persons with low incomes and which encourage better eating patterns among the Nation's children. The foundation of the Nation's food assistance program, the Food Stamp Program, assures that needy people have the funds to purchase an adequate diet from retail outlets. FNS's other programs supplement the food stamp effort by providing additional food assistance to specific vulnerable groups. These programs are operated in a Federal-State partnership in which the Federal government is generally responsible for 100 percent of the food costs, a share of State administrative costs, interpreting the statutes and providing guidance. Benefits are delivered by State and local officials based on income and eligibility requirements.

The 1993 budget request for FNS is \$34.1 billion, an increase of \$0.7 billion above the 1992 current estimate. In addition, a benefit reserve of \$5.3 billion is requested for the Food Stamp Program to ensure that adequate funds are available. Since these programs primarily help low-income persons with food, funding needs are affected by the number of people in poverty, unemployment and food price changes. The projection for 1993 unemployment is 6.6 percent, an expected decrease from 6.8 percent in 1992.

Special Supplemental Food Program for Women, Infants and Children (WIC). The WIC Program provides nutritious supplemental foods to low income pregnant, postpartum, and breastfeeding women and to infants and children up to age 5 who are determined by competent professionals to be at nutritional risk. Recipients also receive nutrition education, advice and assistance on the importance of breastfeeding, and referrals to the health care system. USDA is very concerned about the nutritional status of pregnant and lactating women and their infants, and as a part of its Nutrition Education Initiative will focus intensive effort on their behalf through expanded Extension Service programs.

The 1993 budget requests \$2.84 billion, an increase of \$237 million over the 1992 current estimate of \$2.6 billion. This request will support increased average monthly participation totaling 5.4 million women, infants and children at an average monthly food package cost of \$33.39 per person. This compares to an estimated 5.1 million women, infants and children at an average monthly food package cost of \$31.96 in 1992. This increased request follows the President's \$223 million increase requested for 1992 and is sufficient to cover inflation and expand participation to about 300,000 additional women, infants and children. Federal funds available for State program, nutrition services and administrative costs, based on a national monthly per person administrative grant, will be about 24 percent of total funds appropriated for the program in 1992. In 1992, these costs are expected to average \$10.20 per person per month, for a total monthly cost per person of \$42.16.



## FOOD AND CONSUMER SERVICES

The 1993 budget includes \$5.2 million earmarked for Weed and Seed. Weed and Seed is a multi-department initiative in the 1993 budget built on the premise that Federal, state, and local governments and community groups must work together to reclaim neighborhoods embattled by drugs and crime. The earmarked funds will be used to ensure that all eligible participants in Weed and Seed areas will be able to participate in the WIC Program.

WIC Program	1991 Actual	1992 Current Estimate	1993 Budget
Total Avg. Participation (millions) ...	4.9	5.1	5.4
Avg. Monthly Food Cost per Person .....	\$30.34	\$31.96	\$33.39
Avg. Monthly Admin. Cost per Person ...	\$9.25	\$10.20	\$10.54
Food Cost (millions) .....	\$1,816	\$1,965	\$2,153
Administrative Cost (millions) .....	554	627	680
All Other (millions) .....	5	11	7
Total, Program Level (millions) .....	\$2,375	\$2,603	\$2,840

Effects of Cost Containment (Infant Formula  
Rebates\* - included in program totals above):

Cost Containment			
Savings (millions) .....	\$600	\$650	\$650
Participants Due to			
Rebates (millions) .....	1.00	1.00	.97

\* Highest rebate currently \$1.79 per 13 ounce can of formula.

Food Stamp Program. This program is a Federal-State partnership that enables low-income households to improve their diets by supplementing their food dollars with food stamps. With food stamps, participating households are able to purchase eligible food items at most food stores. State and local governments receive and process recipients' applications, and make eligibility and benefit determinations based on uniform nationwide standards. Their administrative responsibilities include providing employment and training or other programs to help recipients who are able to gain employment.

The 1993 budget requests \$22.7 billion, an increase of \$0.1 billion over the 1992 current estimate of \$22.6 billion. In addition, a benefit reserve of \$5.3 billion is requested. This reserve would help to ensure that adequate funds will be available if there is unanticipated program growth.

## FOOD AND CONSUMER SERVICES

Estimates of program needs reflect continued increases in participation and food costs. In 1993, due to the projected moderate increase in food costs, the maximum benefit for a family of four is expected to increase modestly to \$371 from \$370 in 1992. Participation in 1992 is expected to grow more rapidly than would be anticipated using standard indicators such as unemployment. A mix of other factors, including increased Medicaid Program growth, is expected to result in continued increases through 1992 and 1993. The average monthly benefit per person is expected to decrease from \$68.33 in 1992 to \$67.91 in 1993. Projected food cost increases are so small that seasonal growth in income among participants exceeds the modest increase in the maximum allotment.

Legislation is proposed that will allow States the option of making household cooperation with local child support enforcement agencies a condition of food stamp eligibility. In 1995, cooperation would become mandatory for households in all States, as it is for Medicaid and AFDC currently. Child support enforcement programs collected \$5.2 billion in 1989 from 2.1 million of the 11.9 million cases where children were not supported by absent parents. Savings from these changes would begin in 1994 and are important initiatives that will be a big help to food stamp recipients nationwide. Proposals by the Department of Health and Human Services (HHS) would raise the asset limit to \$10,000 for households already on AFDC and allow AFDC households to exclude some income and resources needed to meet the objectives of a "self-support" plan, both at State option. These proposals are anticipated to increase program costs by \$1.5 million in 1993.

Food Stamp Program	1991 Actual	1992 Current Estimate	1993 Budget
Unemployment .....	6.5%	6.8%	6.6%
Avg. Monthly Participation (millions)	22.629	25.640	25.803
Maximum Benefit for a family of four (\$/month) .....	\$352	\$370	\$371
Avg. Benefit (\$/person/month) .....	\$63.89	\$68.33	\$67.91
Funding (millions): Net Benefits ...	\$17,307	\$21,026	\$21,030
Admin. and Other			
Prog. Costs ..	1,429	1,623	1,675
Total, Program Level .....	<u>\$18,736</u>	<u>\$22,649 a/</u>	<u>\$22,705</u>
Benefit Reserve .....	0	\$467	\$5,297

a/ The budget requests full release of the 1992 \$1.5 billion benefit reserve, all but \$467 million is estimated to be used.



## FOOD AND CONSUMER SERVICES

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Nutrition Assistance for Puerto Rico. The block grant for the Nutrition Assistance Program (NAP) provides the Commonwealth with funds which it may use as it sees fit to supplement recipients' income to help them purchase food for an adequate diet. About 45 percent of Puerto Rico's population, 1.46 million out of 3.2 million, currently receive cash for food through NAP. The 1993 budget requests \$1.05 billion, the maximum authorized under law.

Child Nutrition Programs. The Child Nutrition Programs are a Federal-State partnership in which FNS assists State and local governments in providing food services for individuals in public and nonprofit private schools, child and adult care institutions, and summer food service programs. FNS provides States cash and commodities on a per meal basis to offset the cost of eligible meals served to individuals, cash to offset a portion of State administrative costs, and technical assistance. Over 73 percent of these funds help children from low-income households.

The 1993 budget requests \$6.9 billion, an increase of \$0.4 billion above the 1992 current estimate. Highlights include:

- o National School Lunch Program. Participating schools are reimbursed for each meal served at rates which vary according to the child's family income. The 1993 budget requests \$4.0 billion, an increase of \$0.3 billion above the 1992 current estimate of \$3.7 billion. This request provides for 4,098.4 million meals, an increase of 33.3 million more meals than the 1992 estimate.

Legislation is proposed that will improve targeting of school lunch subsidies by increasing per meal subsidies for meals served to children in households between 130 and 185 percent of poverty by an additional 25 cents per meal. Thus, the maximum allowable price for a lunch served to such children will be reduced from 40 cents to 15 cents. This proposal is targeted to reach about a quarter million needy children who are eligible to purchase meals at a reduced price but are currently not participating or are purchasing meals at the paid price. In addition, it will provide additional assistance to the 1.7 million daily participants who currently purchase meals at a reduced price. This increased cost is largely offset by provisions that will decrease per meal subsidies for meals served to children in households above 185 percent of poverty by 6 cents. This would be a fair adjustment because the increased benefit to needy children will be substantial, while the potential cost to better off families will be slight.

- o School Breakfast Program. The School Breakfast Program is available to the same schools and institutions as the School Lunch Program and uses the same income eligibility guidelines. The 1993 budget requests \$816.5 million, an increase of \$71.7 million above the 1992 current estimate of \$744.8 million. This request will provide for a total of 861.6 million meals, 43.3 million more meals than the 1992 estimate.

Since reauthorization of the Breakfast Program in 1989, USDA has provided additional assistance to the States to encourage the expansion of breakfast service to more needy children. This effort has been very successful, as the number of breakfasts served in 1991 increased by over 8.5 percent from 1990. In 1993, the maximum amount authorized, \$5 million, is included for distribution to schools to assist them with nonrecurring expenses incurred in initiating a school breakfast program. USDA continues to encourage schools that do not now participate in the School Breakfast Program to do so. Access to a nutritious breakfast is especially important to low-income children.

Like the lunch program, legislation is proposed to encourage children from households between 130 and 185 percent of poverty to participate by reducing the maximum allowable price for a breakfast served to such children from 30 cents to 10 cents. The subsidy will be increased an additional 20 cents per meal and will be partially offset by a decrease of 6 cents in the subsidies for meals served to children in households above 185 percent of poverty.

- o Child and Adult Care Food Program. The Child and Adult Care Food Program provides funds for food service to children in non-residential child care centers and family day care homes. In addition, certain adult day care centers for impaired adults are eligible for cash and commodity assistance essentially under the same guidelines as child care centers.

The 1993 budget requests \$1.17 billion, about the same as the 1992 current estimate. This request includes a savings of \$200 million by adjustment of the reimbursement rate for family day care homes to better target program benefits to needy recipients. To better reflect the income distribution of children attending family day care homes, meal reimbursement would be reduced by 40 and 30 cents each in lunch and breakfasts, and by 20 cents for snacks. However, homes, at their option, may choose to administer a means test to participating families and children under 185 percent of poverty and could continue to receive the original subsidy level. This request will provide for 1.4 billion meals, an increase of 0.1 billion meals above the 1992 current estimate of 1.3 billion meals. This increase is due in part to continued expansion of the Head Start Program.

The proposed legislation for the School Lunch and School Breakfast programs would also apply to centers participating in the Child and Adult Care Food Program. The subsidy will be increased by an additional 25 cents per meal for meals served to participants from households with incomes between 130 and 185 percent of poverty. This increase will be partially offset by a decrease of 6 cents in the subsidy for meals served to participants from households above 185 percent of poverty.



# FOOD AND CONSUMER SERVICES

## Meals Reimbursed and Subsidy Rates (Cash and Commodity) for the School Lunch and Breakfast Programs

Household Income Category	Meals Served, Average Daily		Reimbursement: Federal Rate Per Meal	
	1992	1993	1992	1993
	(In Thousands)		(In Dollars)	
<u>School Lunch Program:</u>				
1. Students from families above 185% of poverty (above \$24,790 for a family of 4) .....	11,811	11,274	\$0.2943	\$0.2540 <u>a/</u>
2. Students from families between 130% and 185% of poverty (between \$17,420 and \$24,790 for a family of 4) .....	1,862	2,142	\$1.4340	\$1.7291 <u>b/</u>
3. Students from families at or below 130% of poverty (below \$17,420 for a family of 4) .....	10,677	11,011	\$1.8068	\$1.8803
<u>School Breakfast Program:</u>				
1. Students from families above 185% of poverty (above \$24,790 for a family of 4) .....	651	685	\$0.1792	\$0.1385 <u>c/</u>
2. Students from families between 130% and 185% of poverty (between \$17,420 and \$24,790 for a family of 4)				
Regular .....	128	134	\$0.6637	\$0.8730 <u>d/</u>
Severe Need <u>e/</u> .....	129	136	\$0.8327	\$1.0504 <u>d/</u>
3. Students from families at or below 130% of poverty (below \$17,420 for a family of 4)				
Regular .....	1,577	1,662	\$0.9342	\$0.9700
Severe Need <u>e/</u> .....	2,415	2,543	\$1.1086	\$1.1497

a/ Under current law an average of 11,621,000 meals would be served at a daily subsidy rate of \$0.3069.

b/ Under current law an average of 1,909,000 meals would be served at a daily rate of \$1.4788.

c/ Under current law an average of 685,000 meals would be served at a daily rate of \$0.1914.

d/ Under current law an average of 134,000 regular meals and 136,000 severe need meals would be served at a daily rate of \$0.6718 and \$0.8500 respectively.

e/ Rates in effect for schools serving 40 percent of their lunches at free or reduced rates during second preceding school year.

## FOOD AND CONSUMER SERVICES

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- o Summer Food Service Program. The Summer Food Service Program provides funds for food service to needy children during summer vacation. Meal provider institutions must be public or private non-profit schools, residential camps, other government organizations, or certain private non-profit organizations. Meals are served free to all participants and are generally limited to lunch and either breakfast or a supplement. The 1993 budget requests \$203.2 million, an increase of \$13.9 million over the 1992 current estimate of \$189.3 million. This request will provide for 99.8 million meals, an increase of 2.2 million meals above the 1992 estimate.
- o Nutrition Education and Training (NET). Key to the Secretary's Nutrition Education Initiative, NET will include additional emphasis on preschool children and child care providers. The request will provide \$15.0 million, an increase of \$5.0 million over the 1992 current estimate, targeted to serve children in child care.
- o Meal Planning and Dietary Guidelines. The request of \$2.0 million will provide funding for increased technical assistance and implementation activities related to nutrition guidance for Child Nutrition Programs, an important component of the Nutrition Education Initiative.

Special Milk Program. This program encourages children to drink more milk by subsidizing half-pints of milk in schools and institutions that do not participate in other Federally-subsidized meal service programs.

The 1993 budget requests a program level of \$21.9 million, an increase of \$1.1 million above the 1992 current estimate of \$20.8 million. The number of half-pints served is expected to increase from 185.9 million in 1992 to 195.2 million in 1993. The total number of half-pints served in 1993 includes 184.6 million partially subsidized (paid) half-pints and 10.6 million fully subsidized (free) half-pints at an average reimbursement rate of 11.06 cents and 14.20 cents, respectively. The half-pints served in 1992 include 175.8 million paid half-pints and 10.1 million free half-pints at a reimbursement rate of 11 cents and 14.16 cents, respectively.

Commodity Supplemental Food Program (CSFP). CSFP provides Federally purchased commodities to supplement the diets of low-income pregnant, postpartum, and breastfeeding women, infants, and children up to age 6 and elderly persons 60 years of age or older. The purpose and clientele are similar to the WIC Program, although nutritional risk is not a required condition for eligibility. Clients receive benefits other than a monthly food package including basic nutrition education and referrals to other social and health service programs.



## FOOD AND CONSUMER SERVICES

The 1993 budget requests \$90.0 million. This funding level together with the commodities provided by the Commodity Credit Corporation and those purchased with previous FNS appropriations will provide for growth in program participation. Average participation is anticipated to increase from 234 thousand to 250 thousand for women, infants and children and from 125 thousand to 134 thousand for elderly. In addition, 20 percent of these funds are provided to assist States with program administrative costs.

From 1992 to 1993, the value of the food package, including the value of donations, is estimated to increase from \$17.73 to \$17.83 for women, infants and children and from \$15.06 to \$15.15 for elderly recipients. In 1993, as required by the FACT Act of 1990, and subject to availability, not less than 9 million pounds of cheese and not less than 4 million pounds of nonfat dry milk will be donated to this program.

CSFP Program	1991 Actual	1992 Current Estimate	1993 Budget
WIC:			
Total Avg. Participation (thousands)	186	234	250
Food Cost per Person: FNS .....	\$15.35	\$16.92	\$17.07
Free .....	2.40	.81	.76
Total Package Cost .....	\$17.75	\$17.73	\$17.83
Elderly:			
Total Avg. Participation (thousands)	110	125	134
Food Cost per Person: FNS .....	\$11.91	\$13.85	\$14.01
Free .....	3.47	1.21	1.14
Total Package Cost .....	\$15.38	\$15.06	\$15.15
<hr style="border-top: 1px dashed black;"/>			
FNS, Total Appropriations (millions) .	\$81.9	\$90.0	\$90.0

Food Donations Programs. Persons in need are provided food assistance through the Food Distribution Program on Indian Reservations (FDPIR); the Nutrition Program for the Elderly (NPE); and Commodities for Soup Kitchens. The 1993 budget requests \$255.9 million, an increase of \$4.8 million above the 1992 current estimate.

- o Food Distribution Program on Indian Reservations (FDPIR). Under food stamp law, Indian Tribal Organizations (ITOs) that prefer to do so, may request to operate FDPIR. FDPIR provides an alternative to the Food Stamp Program for eligible households living on or near an Indian reservation and provides a monthly food package intended to supplement the food available to households, much like the Food Stamp Program.

The 1993 budget requests \$81.0 million, an increase of \$2.7 million over the 1992 current estimate of \$78.3 million. This level assumes continuation of the 1992 level of participation and only slight increases in food package costs.

## FOOD AND CONSUMER SERVICES

- o Nutrition Program for the Elderly (NPE). As a supplement to HHS programs for the elderly through the Older Americans Act of 1965, NPE provides cash and commodities for nutritionally sound meals to local elderly nutrition centers.

The 1993 budget requests funding of \$142.9 million, an increase of \$2.1 million over the 1992 current estimate of \$140.8 million. The requested funding will continue the current 56.76 cents per meal assistance and provide for a total of 251.4 million meals, an increase of 4 million over the 1992 level.

- o Commodities for Soup Kitchens. The FACT Act reauthorized the purchase, processing, and distribution of commodities to soup kitchens and food banks. The Act gives priority to institutions which primarily serve the homeless. The 1993 budget requests \$32.0 million for the purchase of commodities for this program, which primarily feeds homeless people, the same as 1992.

The Emergency Food Assistance Program (TEFAP). This program was initiated in December 1981, using existing authorities to supplement the Food Stamp and other food assistance programs with commodities via this State-Federal partnership. In 1992 and 1993 about \$89 million worth of commodities are expected to be made available from farm program authorities in addition to purchased commodities through TEFAP. The 1993 budget requests \$165.0 million, the same as the 1992 current estimate, which includes \$120.0 million for the purchase of commodities and \$45.0 million for grants to States for intrastate distribution of commodities.

Food Program Administration. This appropriation provides for the salaries and expenses for Federal level administration of the domestic food assistance programs. The 1993 budget requests \$108.7 million, an increase of \$5.2 million over the 1992 current estimate of \$103.5 million. This increase will provide for increased operating costs and expanded emphasis on program integrity, especially in the Food Stamp Program.

### HUMAN NUTRITION INFORMATION SERVICE (HNIS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Human Nutrition Information Service .....	\$9.9	\$10.7	\$13.7

The HNIS mission is to help safeguard the health and well-being of Americans through improved nutrition. HNIS performs this mission through the National Nutrition Monitoring and Related Research Program and in the development of the Dietary Guidelines for Americans.



## FOOD AND CONSUMER SERVICES

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HNIS serves the American public by conducting applied research in food and nutrition--what foods Americans buy and eat, what nutrients are in those foods, and how we can make informed food choices. HNIS research forms the basis for U.S. Nutrition policy and includes two major nationwide surveys:

- o The Continuing Survey of Food Intakes by Individuals (CSFII) provides annual data on nutrient intake and food consumption patterns for the general population and population subgroups.
- o The decennial Nationwide Food Consumption Survey (NFCS) identifies the food consumption patterns of U.S. households, monetary value of the food they use and dietary intake by individuals. These data permit detailed analysis of the adequacy of the American diet.

The 1993 budget request represents an increase of \$3.0 million over the 1992 current estimate. This request continues the current level of \$0.5 million for the Pesticide Data Program and provides \$0.2 million for pay cost increases. Nutrition monitoring will be given increased emphasis and oversight. Key program initiatives include:

- o \$1.2 million to improve the sampling capability of the CSFII. Sample size will be increased to provide data on specific population subgroups as required by the National Nutrition Monitoring and Related Research Act of 1990, P.L. 101-445.
- o \$0.2 million for the redesign of the National Nutrient Data Bank. Due to significant advances in computer technology since the current system was designed, new data base management software is needed to increase the data bank's flexibility.
- o \$0.2 million for expansion of the Food Composition Research. New foods introduced to the market require that a comprehensive nutrient analysis be accomplished.

## MARKETING AND INSPECTION PROGRAMS

### FOOD SAFETY AND INSPECTION SERVICE (FSIS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Slaughter Inspection .....	\$261.7	\$281.5	\$293.9
Processing Inspection .....	115.2	117.7	121.9
Import-Export Inspection .....	10.8	12.1	12.5
Laboratory Service .....	23.1	23.7	36.1
Grants to States .....	38.1	38.5	38.5
Overtime Inspection .....	54.0	56.0	57.0
Subtotal, Program Level .....	502.9	529.5	559.9
Trust Funds .....	1.6	1.6	1.8
Total, Program Level .....	504.5	531.1	561.7
Financed from User Fees .....	-54.0	-56.0	-108.9
Total, Appropriation .....	<u>\$450.5</u>	<u>\$475.1</u>	<u>\$452.8</u>

The mission of the Food Safety and Inspection Service is to assure the Nation's meat and poultry supply is safe, wholesome, unadulterated and properly labeled and packaged.

In 1993, the budget proposes a program level of \$561.7 million, an increase of \$30.6 million over the 1992 current estimate. The proposed increases provide \$14.0 million for pay costs, \$3.0 million for additional slaughter inspectors and related costs and \$0.5 million for the Nutrition Education Initiative. Funding of \$11.0 million is also provided for epidemiologic and food safety monitoring in support of the Food Safety Initiative. Contracts will be executed for active epidemiologic monitoring and for development of microbiological techniques which will allow ongoing assessment of inspection processes. Also, \$0.7 million is proposed for FSIS to improve and refurbish laboratory equipment.

For 1993, \$51.0 million in user fees will be derived by expanding current overtime user fees to include 50 percent of the cost of inspection service provided during a second scheduled and approved shift. Currently, overtime fees are charged for inspection services provided beyond an eight hour shift, except for plants operating a second eight hour shift. Establishments with more than one eight-hour shift are generally large plants with sizable production operated by corporations or large business interests. Establishments that do not have enough production to warrant an additional shift must pay overtime. These establishments tend to be smaller plants owned by families or small businesses. To put large and small establishments on equal footing, all establishments that operate a second complete shift will be required to pay for half of the costs of the second shift. These fees will have a minimal impact on prices.



The FSIS proposal will also include authority to allow for the continuation of meat and poultry inspection services on a fully reimbursed basis when Federal funding is unavailable due to a sequester. Under current law, all meat and poultry inspection services must be suspended in the event of a sequestration once the agency reaches the spending limit created by the sequester order. Since all meat and poultry intended for shipment in interstate commerce is required to be federally inspected, meat and poultry establishments would be forced to shut down. Most State meat and poultry inspection services would also be suspended, because the Federal government would be unable to provide 50 percent of the funding for State inspection programs. Therefore, a sequestration resulting in the interruption of inspection service would cause temporary shortages in the meat and poultry availability.

The 1993 budget proposes user fees of \$0.9 million for the Accredited Laboratory Program. Laboratories accredited by the Agency to perform certain tests of meat and poultry products will be required to reimburse the Federal Government for the full cost of providing and maintaining a continuing review of their accreditation status.

Specific FSIS activities include the following:

- o Slaughter Inspection. FSIS inspectors and veterinarians inspect all carcasses in slaughter plants for disease and other abnormalities, and samples for the presence of chemical residues. Other responsibilities include the application of uniform standards for sanitation, equipment, and facilities, and humane methods of slaughter.
- o Processing Inspection. Meat and poultry processing operations are inspected by FSIS on a daily basis. Typical processing operations include cutting, boning, curing, and canning. Inspector activities include review of plant operations for sanitation and cleanliness, labeling, and packing functions. In addition, inspector duties include sampling for laboratory analysis.
- o Import-Export Inspection. FSIS reviews inspection systems in countries exporting meat and poultry products to the U.S. and inspects imported products at ports of entry. Products destined for export markets are inspected by FSIS domestic inspectors at slaughter and processing plants for proper labeling and packaging in accordance with the destination country's standards.
- o Laboratory Services. FSIS operates five laboratories and has agreements with two other private laboratories to perform the scientific testing in support of inspection operations. Samples sent to the laboratories are analyzed to identify the presence of pathogens, residues, additives, disease, and foreign matter. FSIS operates the Residue Violation Information System which rapidly provides and disseminates data on residue violations, repeat offenders, and agency enforcement actions.

## MARKETING AND INSPECTION PROGRAMS

- o Grants to States. FSIS has authority to approve state meat and poultry inspection programs for products travelling in intrastate commerce. FSIS reviews State inspection programs to assure standards, at least equal to Federal standards, are applied to meat and poultry plants under State jurisdiction. For State inspection programs, USDA contributes, through the Grants to States program, up to 50 percent of each State's costs.

### ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)

#### Program Level (Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Pest and Disease Exclusion:			
Agricultural Quarantine Inspection..	\$70.9	\$20.4	\$22.7
User Fees .....	5.1	85.4	86.1
Mediterranean Fruit Fly .....	12.0	19.5	10.2
Screwworm .....	33.3	34.0	34.6
Other Programs .....	20.9	19.5	14.5
Plant and Animal Health Monitoring ...	25.6	30.6	29.8
Pest and Disease Management:			
Animal Damage Control .....	24.7	25.6	24.9
Boll Weevil .....	13.2	13.1	11.3
Brucellosis .....	63.1	67.0	67.3
Grasshopper and Mormon Cricket .....	8.1	8.9	0
Salmonella Enteritidis .....	0	0	3.4
Sweet Potato Whitefly .....	0	0	3.5
Other Programs .....	51.4	52.4	45.9
Animal Care .....	9.2	9.6	9.3
Scientific and Technical Services ....	44.4	49.5	52.0
Contingency Fund .....	3.0	5.0	3.2
All Other .....	20.2	17.8	17.9
Total, APHIS Programs .....	405.1	458.3	436.6
Buildings and Facilities .....	21.4	21.4	10.4
Total, APHIS .....	<u>\$426.5</u>	<u>\$479.7</u>	<u>\$447.0</u>



## MARKETING AND INSPECTION PROGRAMS

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The Animal and Plant Health Inspection Service is responsible for protecting U.S. animal and plant resources from diseases and pests. The agency accomplishes this through the major areas of activity as follows:

- o Inspection and quarantine activities at U.S. ports of entry to prevent the introduction of foreign or exotic diseases or pests;
- o Surveying and monitoring the spread of plant pests and animal diseases for State, local, and private action;
- o Administering domestic control and eradication programs to combat outbreaks of plant pests and animal diseases;
- o Conducting regulatory activities for humane care and handling of animals used in research, exhibition or the wholesale pet trade;
- o Providing scientific and technical assistance for biotechnology, disease diagnostics, and pest control methods development.

Agricultural Quarantine Inspection (AQI). The AQI program is the nation's frontline defense against the introduction of dangerous agricultural pests and diseases from other countries by inspecting the increasing amount of cargo and international air and sea passengers at ports-of-entry and pre-clearance stations. Each person or bag entering this country could potentially be carrying an exotic pest capable of causing a major outbreak. Inspection techniques such as x-ray machines and detector dog teams are used to handle the increasing workload. APHIS began collecting fees for the AQI activities in 1991. The 1993 budget proposes \$108.8 million for AQI activities, an increase of \$3.0 million from the 1992 current estimate. This increase will provide for increased passenger inspection activities from Hawaii and Puerto Rico.

Mediterranean Fruit Fly. The Mediterranean fruit fly is one of the world's most destructive pests of fruits and vegetables. The objective of the Medfly program is to prevent sustained infestations of this dangerous pest from occurring in the United States, Puerto Rico, the Virgin Islands and north of the 16 degree parallel in Central America. When an infestation of this pest does occur, APHIS, in cooperation with the affected State, initiates a program to eradicate the outbreak. Also, a \$9.5 million emergency transfer from CCC funds for eradication has been approved for 1992. The 1993 budget proposes \$10.2 million.

Screwworm. The Screwworm Eradication Program protects the U.S. livestock industry by eradicating screwworms from Mexico and Central America Countries. An eradication barrier is maintained indefinitely to ensure that no screwworms cross the U.S.-Mexican border. The agency is progressing toward establishing a permanent, sustainable sterile fly barrier somewhere south of Mexico. In February 1991, Mexico was declared screwworm free. This success has enabled eradication activities to move south into Guatemala, Belize, Honduras, and El Salvador. The 1993 budget proposes funding of \$34.6 million, an increase of \$0.6 million over the 1992 current estimate.

## MARKETING AND INSPECTION PROGRAMS

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Animal Damage Control. Through this program, APHIS provides technical assistance, conducts research, and maintains cooperative programs to reduce agricultural losses caused by predatory animals, birds, and rodents. The Animal Damage Control program also conducts control operations for target species on Federal, State, and private lands. The 1993 budget proposes a funding level of \$24.9 million. The program is carried out in cooperation with other Federal agencies, States, and private industry.

Brucellosis. The Department cooperates with State governments, industry organizations, and individual herd owners to eradicate brucellosis. The program identifies infected animals and herds through surveillance and testing at points of first concentration such as auction markets and calf branding operations, removes reactors for slaughter and provides for disease prevention through vaccination. Since 1982, APHIS has been using a classification system as a basis for allocating resources and regulating interstate movement of cattle. At the end of 1991, 32 States had no known brucellosis infection during the previous year. There are 17 States, with "Class A" status with an infection rate for cattle herds during the previous year below 0.25 percent. Currently, the highest brucellosis infection levels, "Class B", which is an infection rate less than 1.5 percent for the previous year, are located in four southern States (Florida, Louisiana, Mississippi, and Texas). The 1993 budget proposes funding of \$67.3 million, an increase of \$0.3 million over the 1992 current estimate.

Grasshopper and Mormon Cricket. Grasshoppers annually infest rangeland in a number of Western States. During heavy infestations, the pest also attacks cropland, causing extensive damage to alfalfa, wheat, beans, and other crops. Total funds available for 1992 are \$22.0 million, including \$13.2 million carried over from 1991. The 1993 budget anticipates carryover funds of approximately \$17 million into 1993 to maintain the program at current levels. APHIS will continue its Integrated Pest Management effort for grasshoppers in cooperation with States and will continue to conduct surveys using carryover funds.

Salmonella Enteritidis (SE). The SE program was originally funded with an emergency transfer of \$6.8 million from the Commodity Credit Corporation in 1990. APHIS performed epidemiological tracebacks from egg-associated human SE and testing and surveillance of flocks found to be infected. For 1992 funds from the miscellaneous plant and animal diseases account and the contingency will be used to continue the salmonella program. The 1993 budget proposes funding of \$3.4 million for salmonella enteritidis as a separate line item.

Sweet Potato Whitefly. The sweet potato whitefly has become a destructive plant pest in a multitude of field crops and greenhouse ornamentals across the western and southern United States. The whitefly has been resistant to all registered pesticides. The 1993 budget proposes whitefly as a separate line item and provides \$3.5 million to conduct surveys to determine the extent of infestations, begin mass production and release of natural enemies to combat the whitefly. Previously, a small portion of the biocontrol line item was available for whitefly.



## MARKETING AND INSPECTION PROGRAMS

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Buildings and Facilities. This separate APHIS appropriation of \$10.4 million funds new construction, as well as maintenance and repair of APHIS-operated facilities. Specifically, the 1993 budget proposes:

- o \$5.4 million for repairs, alterations, and renovations for currently owned APHIS facilities;
- o \$3.5 million for the APHIS share of continued modernization of the facilities at the Plum Island Animal Disease Center in New York (an additional \$6.0 million is included in the ARS Budget);
- o \$1.0 million for the design of the final phase of the three phase Master Plan to construct greenhouses, an equipment storage building, and a utility substation at the National Germplasm Quarantine Facility at Beltsville, Maryland. The total cost of the final phase, design and construction will be approximately \$9 million; and
- o \$0.5 million for a master plan for a new screwworm rearing facility in Panama. The existing facility in Mexico must be relocated or undergo major renovations in order to meet program objectives. Screwworm eradication is anticipated from Central America to Panama.

# MARKETING AND INSPECTION PROGRAMS

## AGRICULTURAL MARKETING SERVICE (AMS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Agricultural Marketing Service:			
Market News .....	\$17.4	\$19.2	\$19.4
Inspection and Standardization .....	14.9	17.1	13.0
Financed from New User Fees .....	0.0	0.0	4.4
Market Protection and Promotion ....	13.8	15.4	16.3
Wholesale Market Development .....	1.9	2.3	2.1
Transportation Services .....	2.4	2.6	2.6
Payments to States .....	1.2	1.2	1.0
Appropriations to Trust Funds .....	0.0	1.9	0.0
Subtotal, Agricultural Marketing Service .....	51.6	59.7	58.8
Section 32 Funds:			
Marketing Agreements and Orders ....	8.2	10.3	.3
Financed from New User Fees .....	0.0	0.0	10.3
Commodity Purchase Services .....	5.7	6.1	6.1
Perishable Agricultural Commodities Act .....	6.0	7.3	7.3
Ongoing User Fees and Trust Funds ....	137.4	144.5	148.4
Total, AMS .....	<u>\$208.9</u>	<u>\$227.9</u>	<u>\$231.2</u>

Programs of the Agricultural Marketing Service enhance the marketing and distribution of agricultural products. For 1993, the budget proposes \$231.2 million of which \$163.1 million (70.5 percent) will be funded by user fees.

Market News Program. This program provides timely, accurate information to assist producers, growers, and marketers of farm products in making critical decisions of where and when to sell and at what price. The collection of market information is a joint effort by both Federal and State reporters. Once the data is collected, it is summarized and incorporated into standardized formats for dissemination. Reports are disseminated through several media, including satellite distribution, wire services, telephone message machines, news services, and mail. For 1993, the Market News Program is funded at the 1992 level.



## MARKETING AND INSPECTION PROGRAMS

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Inspection and Standardization. AMS develops and maintains standards of quality and condition for use in the grading of agricultural commodities. The standards provide a common language of trade for buyers and sellers of commodities both here and abroad. For 1993, user fees of \$4.4 million for commodity standardization activities is proposed. Commodity standardization and grading provides a direct benefit to the industry by helping to insure the orderly and efficient marketing and distribution of farm commodities from the farm to domestic and foreign buyers.

Under authority provided by the Egg Products Inspection Act, AMS operates a mandatory continuous inspection program for processed egg products and determines the disposition of unwholesome eggs. The AMS inspectors' duties include checking the acceptability of shell eggs, monitoring sanitation, and oversight of processing procedures. All eggs processed for human consumption must be pasteurized which eliminates Salmonella, including the enteritidis strain. Inspectors have authority to remove eggs unfit for human consumption and, in cases where a plant fails to meet AMS requirements, inspectors may withdraw inspection and close the plant.

Market Protection and Promotion. This activity includes \$11.9 million for the AMS portion of the Department's Pesticide Data Program to administer a national pesticide residue monitoring program (page 17).

For 1993, the budget includes an increase of \$0.8 for the certification of organic products. AMS will work with the National Organic Standards Board to design the organic certification program, develop the approved substances lists, work with the industry to develop standards, and certify inspection agents.

Marketing Agreements and Orders. Marketing orders maintain orderly conditions by establishing minimum prices which handlers pay producers for milk and dairy products and by regulating the quality, quantity, or size of fruits and vegetables which handlers market in commercial channels. Marketing Agreements and Orders are administered at the local level by market administrators or committees whose expenses are financed through assessments collected by the market administrators or committees from regulated handlers. AMS supervises the administration of this program and conducts hearings to determine producer sentiment toward new order programs and revisions of current programs.

For 1993, legislation will be proposed to recover Federal costs for administration and economic analyses related to Marketing Agreements and Orders for milk, fruit, vegetables, and certain specialty crops through assessments. The appropriate market administrator or committee will be billed for these costs. The estimated savings generated by this proposal are \$10.3 million.

## MARKETING AND INSPECTION PROGRAMS

### FEDERAL GRAIN INSPECTION SERVICE (FGIS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Appropriated Funds .....	\$9.7	\$11.4	\$4.7
User Fees .....	30.6	40.2	49.7
Total, FGIS .....	<u>\$40.3</u>	<u>\$51.6</u>	<u>\$54.4</u>

The Federal Grain Inspection Service establishes official U.S. standards for grain, conducts weighing and inspection activities, and inspects other agricultural products, such as rice, dry beans and peas, processed grain products, and hops.

The 1993 budget proposes a program level of \$54.4 million. This request also proposes the collection of user fees for standardization activities. It is estimated that \$6.9 million will be collected for these services. Compliance activities will continue to be financed from appropriated funds.

### PACKERS AND STOCKYARDS ADMINISTRATION (PSA)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Packers and Stockyards Administration ..	\$10.7	\$12.0	\$12.2

The Packers and Stockyards Administration works to assure the integrity of the livestock, meat, and poultry markets and the market place. This is accomplished through fostering fair and open competition and guarding against deceptive and fraudulent practices which affect meat and poultry prices. Producers, consumers and industry are protected from unfair business practices which can unduly affect meat and poultry distribution and prices.

The 1993 budget requests \$12.2 million, an increase of \$0.2 million over the 1992 current estimate for pay costs. Also, \$0.6 million is provided for surveillance of care and handling of downed animals at stockyards which was begun in 1991. PSA will continue to implement its Agencywide Information Management System (AIMS). The Agency will be developing and conducting a study of packer concentration in 1992. Since the study will be completed in 1992, additional funds are not requested in 1993.



## MARKETING AND INSPECTION PROGRAMS

### AGRICULTURAL COOPERATIVE SERVICE (ACS)

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Agricultural Cooperative Service:			
Research .....	\$2.9	\$3.5	\$3.1
Technical Assistance:			
Appropriation .....	2.0	2.1	1.8
User Fees .....	0	0	0.4
Total, Program Level .....	<u>\$4.9</u>	<u>\$5.6</u>	<u>\$5.3</u>

The Agricultural Cooperative Service provides technical assistance and conducts research on economic, financial, organizational, managerial, legal, social, and other related issues that affect cooperatives.

The 1993 budget of \$5.3 million proposes a decrease of \$0.3 from the 1992 current estimate. The request also proposes the collection of user fees of \$0.4 million for technical assistance provided to larger cooperatives with annual revenues of \$1.0 million or more.

## ECONOMICS AND STATISTICS

### ECONOMICS AND STATISTICS

Program Level  
(Dollars in Millions)

Agency	1991 Actual	1992 Current Estimate	1993 Budget
Economic Research Service .....	\$54.8	\$59.1	\$60.8
National Agricultural Statistics Service .....	76.7	82.9	87.3
World Agricultural Outlook Board .....	2.1	2.4	2.5
Total, Economics and Statistics .....	<u>\$133.6</u>	<u>\$144.4</u>	<u>\$150.6</u>

### ECONOMIC RESEARCH SERVICE (ERS)

The Economic Research Service provides agricultural economic information that addresses the concerns and the decisionmaking needs of farmers, consumers, extension workers, private analysts, processors, marketers, and government policy officials.

For 1993 ERS is requesting a net increase of \$1.7 million over the 1992 current estimate. This proposal includes: an increase in the Pesticide Data Program from the 1992 appropriated level of \$1.1 million to \$3.65 million; an increase of \$0.4 million to provide for economic evaluation of nutrition activities in support of the Department's Nutrition Education Initiative; and over \$0.8 million to cover increased pay costs. ERS also proposes reductions of \$2.0 million in ongoing program activities in order to support these program initiatives.

### NATIONAL AGRICULTURAL STATISTICS SERVICE (NASS)

The National Agricultural Statistics Service collects and reports statistical data on crop and livestock production, inventories, prices and other agricultural economic indicators. It provides critical data for use by farmers, marketers, private and public sector analysts and officials.

Agricultural estimates are made by a central office in Washington, D.C., and by State statistical offices which are typically operated as joint State and Federal services. The agency also conducts and coordinates research on statistical techniques. An increase of \$4.4 million over the 1992 current estimate is requested. Proposed increases include: \$2.5 million for an expansion of the survey of pesticide use data to provide more useful and current data in support of the Pesticide Data Program (page 17); \$1.0 million to improve statistical sampling frames in order to enhance efficiency and quality of data collection; \$0.9 million to



## ECONOMICS AND STATISTICS

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develop reports and surveys of the utilization of restricted use pesticides; \$0.8 million for increased data collection costs; and \$0.9 million to cover 50 percent of increased pay costs. The proposals for NASS also include a reduction of \$0.4 million in data collection on fruits, vegetables and other crops and a reduction of \$1.3 million available in 1992 for conversion to the FTS 2000 system.

### WORLD AGRICULTURAL OUTLOOK BOARD (WAOB)

The World Agricultural Outlook Board serves as the single focal point for the Nation's economic intelligence related to domestic and international food and agriculture, and is responsible for coordination and clearance of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department of Agriculture. The WAOB funding request for 1993 of \$2.5 million represents a total increase of \$149 thousand, including \$60 thousand for automated data systems to assist development and evaluation of supply and demand forecasts, and \$89 thousand for increased pay costs.

## DEPARTMENTAL ACTIVITIES

### DEPARTMENTAL OFFICES AND ACTIVITIES

Program Level  
(Dollars in Millions)

Program	1991 Actual	1992 Current Estimate	1993 Budget
Departmental Offices:			
Office of the Secretary .....	\$7.6	\$8.6	\$9.7
Departmental Administration			
Staff Offices .....	23.1	25.1	28.6
Office of Budget and Program			
Analysis .....	5.0	6.1	5.7
Office of Public Affairs .....	8.9	9.4	9.7
Office of the Inspector General ....	55.6	62.8	67.2
Office of the General Counsel .....	23.1	24.5	26.4
Subtotal .....	123.3	136.5	147.3
Centrally Financed Activities:			
Advisory Committees .....	1.4	2.0	1.9
Building Operations and			
Maintenance .....	25.1	25.7	26.5
Rental Payments .....	48.4	50.9	50.5
Hazardous Waste Management .....	24.8	26.4	28.0
Working Capital Fund			
Capitalization .....	3.8	0.0	0.0
Subtotal .....	103.5	105.0	106.9
Total, Departmental Offices and Centralized Activities .	\$226.8	\$241.5	\$254.2

The Departmental Offices have responsibility for: overall planning, coordination and administration of the Department's policies and programs; coordination and liaison between the agencies of the Department and the Office of Management and Budget, the Congress, the media and the public; providing central services to the agencies of the Department and all legal, audit and investigative work in connection with administration of the Department's programs.

For 1993, funds are requested for a number of Departmental program support initiatives which are described below and for increased pay costs.

Office of the Secretary. The 1993 budget includes funds for increased operating costs. Funds are also included for students who are assigned to the Secretary's office and are participating in the Cooperative Education Program.



## DEPARTMENTAL ACTIVITIES

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Departmental Administration (DA) Staff Offices. The budget includes program increases for the DA staff offices to expand the following initiatives:

- o Financial Management. An increase of \$200,000 will enable the Department to improve its systems of accounting, financial management, and internal controls to assure reliable financial information and to deter fraud, waste, and abuse of Government resources and to produce complete, reliable, timely, and consistent financial information for use by the Executive Branch of the Government and the Congress in the management and evaluation of USDA programs.
- o Systems Integration. An increase of \$1.0 million would be used to foster integration of USDA's management information systems to ensure that the systems are compatible, not duplicative, and are serving the needs of farmers and other constituents, while providing managers with the data needed for effective management of programs. As part of this effort, funding is included to upgrade USDA's central financial and administrative systems.
- o Information Systems Oversight and Guidance. An increase of \$1.0 million would provide additional Departmental Administration services and support to USDA agencies. As agency activities and expenditures in information resource management increase, a stronger Departmental approach is required to ensure information sharing. These additional funds would allow OIRM to expand its oversight and guidance role.
- o Equal Opportunity Oversight and Compliance Review. An increase of \$400,000 is requested to enable the Office of Advocacy and Enterprise to provide oversight and guidance to USDA agencies' activities for development of affirmative employment and federal equal opportunity recruitment plans; for implementation plans for carrying out nondiscrimination in program functions directly with USDA agencies providing technical assistance and training; onsite complaint investigations, and onsite reviews for compliance with Department equal opportunity policies.
- o Emergency Programs Policy and Management. Over the past five years, the Department's emergency preparedness responsibilities have significantly increased. An increase of \$102,000 will enable the Department to actively participate in international agreements and emergency planning for improved coordination and response in the event of terrorist incidents involving chemical/ biological, radiological or biotechnological emergencies. The Department will also expand its domestic emergency planning and coordination activities.

Office of Budget and Program Analysis. The budget includes a decrease for automated systems activities. Funding provided for systems purchases in 1992 are not required again in 1993.

## DEPARTMENTAL ACTIVITIES

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Office of Public Affairs. The budget includes an increase for the expansion of AgNewsFAX to carry out the responsibility of providing valuable information about American agriculture and Departmental policy and programs to farmers and the public.

Office of the Inspector General. The budget proposes an increase of \$5.1 million for the audit of financial statements in accordance with the Chief Financial Officer's Act.

Office of the General Counsel. The budget provides for additional legal services to respond to the growing demand resulting from program changes, new legislation, court decisions, increased litigation, and a general increased need for legal services. Also, it is proposed that OGC will receive reimbursement for legal services provided to fee based activities of the Department.

Centrally Financed Activities. The 1993 budget includes program increases for:

- o New Advisory Committees proposed for 1993 including the Dietary Guidelines Advisory Committee and the SCS State Technical Committees.
- o Funds for Hazardous Waste Management activities will provide USDA's agencies the capability to continue an effective program of remedial activities that include preliminary site assessments, site investigations, analyses to identify potential problems, cleanup strategies, and cleanup of individual sites.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Budget Authority  
(Dollars in Thousands)

Agency	1991 Actual	1992 Current Estimate	1993 Budget
<b>SCIENCE AND EDUCATION</b>			
Agricultural Research Service .....	\$671,971	\$718,943	\$721,623
Cooperative State Research Service .....	454,200	508,831	416,023
Extension Service .....	398,473	419,325	417,320
National Agricultural Library .....	16,820	17,815	18,125
ALTERNATIVE AGRI. RESEARCH & COMMERCIALIZATION	0	4,500	10,000
<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>			
Agri. Stabilization & Conservation Serv. ...	1,602,829	2,624,374	2,645,608
Foreign Agricultural Service .....	105,547	114,496	114,518
Commodity Credit Corporation .....	9,744,965	12,323,495	11,219,708
Office of International Cooperation & Dev. .	11,256	10,747	9,991
P.L. 480 .....	1,003,943	1,484,185	1,322,513
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Soil Conservation Service .....	772,315	850,758	791,388
Forest Service .....	3,176,242	3,295,736	3,434,633
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>			
Farmers Home Administration .....	8,077,645	4,478,410	2,239,718
Rural Development Administration .....	2,031,404	1,351,898	1,096,995
Federal Crop Insurance Corporation .....	729,264	583,370	621,171
Rural Electrification Administration .....	1,685,108	222,164	246,868
<b>FOOD AND CONSUMER SERVICES</b>			
Food and Nutrition Service .....	29,095,381	32,666,750	39,014,725
Section 32 .....	375,276	422,155	581,762
Human Nutrition Information Service .....	9,923	10,788	13,716
<b>MARKETING AND INSPECTION SERVICES</b>			
Food Safety Inspection Service .....	450,497	475,112	452,767
Animal and Plant Health Inspection Service .	427,883	470,160	436,332
Agricultural Marketing Service .....	151,655	160,693	157,226
Federal Grain Inspection Service .....	9,706	11,397	4,694
Agricultural Cooperative Service .....	4,864	5,640	4,852
Packers and Stockyards Administration .....	10,687	12,009	12,223
<b>ECONOMICS</b>			
Economic Research Service .....	54,760	59,120	60,772
National Agricultural Statistics Service ...	76,700	82,891	87,337
World Agricultural Outlook Board .....	2,196	2,367	2,516
<b>ADMINISTRATION</b>			
Office of the Secretary .....	7,638	8,646	9,754
Departmental Administration .....	23,052	25,064	28,591
Hazardous Waste Management .....	24,757	26,350	27,966
Working Capital Fund .....	3,750	0	0
Rental Payments and Building Operations ....	73,541	76,598	76,985
Advisory Committees .....	1,407	2,038	1,905
Office of Public Affairs .....	8,882	9,393	9,720
Office of the Inspector General .....	55,579	62,786	67,238
Office of Budget and Program Analysis .....	4,971	6,149	5,756
Office of the General Counsel .....	23,130	24,554	26,389
Gifts and Bequests .....	1,932	2,934	1,550
Offsetting Receipts .....	-1,304,949	-1,469,155	-1,570,819
TOTAL, U.S. DEPARTMENT OF AGRICULTURE ....	\$60,075,200	\$62,163,486	\$64,840,159

UNITED STATES DEPARTMENT OF AGRICULTURE  
Outlays  
(Dollars in Thousands)

Agency	1991 Actual	1992 Current Estimate	1993 Budget
<b>SCIENCE AND EDUCATION</b>			
Agricultural Research Service .....	\$622,901	\$679,727	\$721,836
Cooperative State Research Service .....	395,600	428,092	433,835
Extension Service .....	367,114	413,631	417,862
National Agricultural Library .....	16,167	15,602	17,206
ALTERNATIVE AGRI. RESEARCH & COMMERCIALIZATION	0	450	2,350
<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>			
Agri. Stabilization & Conservation Serv. ...	1,920,571	2,721,775	2,824,542
Foreign Agricultural Service .....	100,752	112,985	114,518
Commodity Credit Corporation .....	10,110,093	11,961,057	11,645,392
Office of International Cooperation & Dev. .	-10,455	12,807	11,129
P.L. 480 .....	753,095	1,234,373	827,860
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Soil Conservation Service .....	793,285	874,636	807,812
Forest Service .....	3,000,692	3,121,555	3,347,135
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>			
Farmers Home Administration .....	5,714,985	3,121,278	2,206,906
Rural Development Administration .....	914,426	1,899,365	1,008,786
Federal Crop Insurance Corporation .....	769,540	936,300	899,877
Rural Electrification Administration .....	100,035	626,785	32,269
<b>FOOD AND CONSUMER SERVICES</b>			
Food and Nutrition Service .....	28,064,887	33,095,382	33,670,405
Section 32 .....	451,638	499,976	458,893
Human Nutrition Information Service .....	8,926	9,883	12,833
<b>MARKETING AND INSPECTION SERVICES</b>			
Food Safety Inspection Service .....	441,490	475,112	452,767
Animal and Plant Health Inspection Service .	394,579	451,517	452,472
Agricultural Marketing Service .....	134,584	151,997	155,931
Federal Grain Inspection Service .....	12,097	11,234	4,688
Agricultural Cooperative Service .....	5,000	5,459	4,506
Packers and Stockyards Administration .....	10,234	12,009	12,206
<b>ECONOMICS</b>			
Economic Research Service .....	53,316	58,111	58,731
National Agricultural Statistics Service ...	74,985	82,134	85,933
World Agricultural Outlook Board .....	2,001	2,358	2,480
<b>ADMINISTRATION</b>			
Office of the Secretary .....	6,444	7,553	9,611
Departmental Administration .....	23,027	25,084	28,155
Hazardous Waste Management.....	17,568	34,662	25,720
Working Capital Fund .....	-16,678	0	0
Rental Payments and Building Operations ....	77,458	75,569	76,934
Advisory Committees .....	1,004	1,729	1,972
Office of Public Affairs .....	9,638	9,007	9,706
Office of the Inspector General .....	53,983	61,019	66,788
Office of Budget and Program Analysis .....	4,755	5,782	5,827
Office of the General Counsel .....	23,492	24,283	26,110
Gifts and Bequests .....	780	3,056	1,550
Offsetting Receipts .....	-1,304,949	-1,469,155	-1,570,819
<b>TOTAL, U.S. DEPARTMENT OF AGRICULTURE ....</b>	<b>\$54,119,060</b>	<b>\$61,794,179</b>	<b>\$59,372,714</b>



## UNITED STATES DEPARTMENT OF AGRICULTURE

## Staff-Years

Agency	1991 Actual	1992 Estimate	1993 Estimate
<b>SCIENCE AND EDUCATION</b>			
Agricultural Research Service .....	8,107	8,150	8,200
Cooperative State Research Service .....	199	215	220
Extension Service .....	191	177	180
National Agricultural Library .....	209	209	209
<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>			
Agricultural Stabilization and Conservation Service .....	3,248	3,248	3,248
Foreign Agricultural Service .....	873	898	898
Office of International Cooperation and Development .....	180	180	180
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service .....	42,220	42,220	41,650
Soil Conservation Service .....	13,111	13,656	13,799
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>			
Farmers Home Administration .....	12,327	11,702	11,102
Rural Development Administration .....	0	925	925
Rural Electrification Administration .....	510	520	526
Federal Crop Insurance Corporation .....	846	865	865
<b>FOOD AND CONSUMER SERVICES</b>			
Human Nutrition Information Service .....	94	110	114
Food and Nutrition Service .....	1,907	1,969	1,969
<b>MARKETING AND INSPECTION SERVICES</b>			
Federal Grain Inspection Service .....	734	750	750
Animal and Plant Health Inspection Service .....	5,891	6,075	6,000
Food Safety and Inspection Service .....	9,533	9,552	9,600
Agricultural Cooperative Service .....	69	69	69
Agricultural Marketing Service .....	4,266	4,270	4,270
Packers and Stockyards Administration ....	190	191	191
<b>ECONOMICS</b>			
Economic Research Service .....	773	840	840
National Agricultural Statistics Service .	1,104	1,153	1,153
World Agricultural Outlook Board .....	27	33	33
<b>ADMINISTRATION</b>			
Office of the Secretary .....	90	94	94
Departmental Administration .....	2,245	2,300	2,400
Office of Budget and Program Analysis ....	71	74	74
Office of Public Affairs .....	143	155	156
Office of the Inspector General .....	817	850	885
Office of the General Counsel .....	382	408	421
TOTAL, United States Department of Agriculture .....	110,357	111,882	111,021











